





## EUROPEAN NEWS

## Setback for Ireland's oil search

By Kevin Donohue, Energy Correspondent

IRELAND'S HOPES of discovering its first major oil field have received a setback. Two groups drilling off the west coast of Ireland, BP/Aran and Elf Aquitaine, have announced that their first wells in the area known as the Porcupine Basin have shown only minor traces of oil or gas.

Irish expectations were raised earlier this week when Phillips Petroleum announced an encouraging oil find in the same area, about 100 miles off the west coast of Ireland. The Phillips well was not considered commercial but it was the first significant oil strike in Irish waters.

BP, the operator for the BP/Aran group said yesterday that it had plugged and abandoned its well on block 26/22. "No significant accumulations of hydrocarbons" had been discovered.

It is understood that BP encountered only small traces of gas.

Elf Aquitaine said that it had plugged and abandoned its first well on block 35/2. The well was drilled to a depth of 13,107 feet and only traces of oil were encountered at various depths.

Our Dublin correspondent writes: The Irish Minister for Industry and Commerce, has hinted that Irish planning laws may be changed following the loss of the Elgin-Beecham pharmaceutical plant because of objections from 16 local residents.

## Fiat plans to cut truck production

By PAUL BETTS

FIAT, ITALY'S largest private enterprise, intends to reduce the production of commercial vehicles following the slump in its domestic market, which has seen demand fall by 20 per cent from last year's levels.

The crisis of the market largely a result of the general slowdown of the country's economic momentum, has particularly hit the heavy truck sector where demand has fallen by 40 per cent.

This has led to a heavy build-up of Fiat stocks, and the company has started negotiations with the trade unions to cut back current production levels.

The company's proposals are likely to involve some 11,000 workers at the Olmeto plant in Milan and the Spa and Teal plants in Turin. Fiat has proposed to the unions the transfer of some of its workforce at the Spa and Teal plants to other Fiat plants in Turin and a possible temporary halt of production at Olmeto.

Should these proposals be rejected, however, the Turin group could decide to resort to State-subsidised salaries for the 11,000 workers, which is the equivalent of making temporary lay-offs.

This issue could become a test case of the union leadership's acceptance of the principle of labour mobility. It is also likely to test the general mood of the union movement at a time when a series of major national contracts, including the key Metalworkers and Engineering Union contract, are due for renewal.

There are no tangible indications that the union rank and file is willing to accept the Government's request for moderation in wage claims, which form an integral part of the Government's proposed medium-term recovery programme.

For their part, the main Italian labour confederations are now coming under pressure from autonomous splinter unions.

ROME, Oct. 4.

## Marseilles massacre 'a reprisal'

By David White

PARIS, Oct. 4.

A REPRISAL AMONG petty criminals was the most plausible reason suggested by French police today for the massacre of nine people in a Marseilles bar last night.

Two or three hooded men burst into the Telephone Bar through the saloon-style swing doors and shot the 10 occupants, some by point-blank pistol fire in the head, others by peppering them with a shotgun. One survived, while the wife of the owner, M. Andre Leon, watched from a staircase as her husband was shot dead.

It was the worst gangland killing in recent memory, echoing nearly 50 years of Hollywood versions of Al Capone and the 1929 St. Valentine's Day massacre, in which seven died.

Some of the victims were on police files, in some was considered a major criminal. "We have never before faced such organised carnage," a local police chief said today.

French rail services, which today struggled back to normal after a three-day strike, are threatened with further serious disruption next week. The leading railwaymen's union have called for the strike movement to be renewed nationally from next Monday to Thursday in support of a drivers' dispute in the Normandy region.

## U.S. Turkey bases start operations again next week

BY METIN MUNIR

ANKARA, Oct. 4.

THE U.S. bases in Turkey are to become operational on October 9 after being inactive for over three years, the Prime Minister, Mr. Bülent Ecevit, announced in Ankara this evening after a five-hour Cabinet meeting.

Mr. Ecevit said that the reopening of the bases was a result of the repeal by the U.S. Congress of the embargo on arms supplies to Turkey "which has created an atmosphere conducive to closer relations between Turkey and the U.S."

The embargo was imposed in 1975, at the instigation of the Greek lobby in America, to punish Turkey for using American weapons in the 1974 Cyprus war and to force Ankara to make concessions on the island. Instead, it deprived Washington of its bases in Turkey—described as the most advanced land-based surveillance network in the world—which Ankara shut down in anger at the U.S. decision to support a new defence treaty with the Soviet Union.

The embargo was lifted last month at President Jimmy Carter's request.

The two most crucial bases which would reopen are Sincap on the Black Sea and Pirinçlik in eastern Turkey. Both are crucial for the supervision of the Strategic Arms Limitation Talks agreements, enabling the U.S. to monitor Soviet missile and nuclear weapon tests. They also keep track of Soviet air and naval activity and general military activity in the area surrounding Turkey, particularly the Middle East.

The other two crucial bases, Belbas near Ankara (a missile station) and Kargaburun located in European Turkey (a naval communications installation), would also resume their activities but would subsequently be turned over to the Turkish military.

Turkey has also announced a year-long interim status for the U.S. forces. During this period a new defence treaty would be negotiated. The old one, unilaterally abrogated by Ankara when it shut down the bases.

## Dutch unions to merge

BY CHARLES BATCHELOR

AMSTERDAM, Oct. 4.

TWO OF Holland's largest trade unions have agreed to form a federation next year as the first step towards a complete merger in 1981. They are the Socialist Industriëbond NVV and the Catholic Industriëbond NKKV which together have 300,000 members and form the largest organised labour group in the country.

Separate congresses of the two unions held in Amsterdam and Utrecht approved the setting up of a federation, to be called Industriëbond FNV, by July 1, 1979, and for plans to be drawn up for a complete merger two years later. The two unions already work closely together in making wage claims and carrying out industrial action. Closer links will strengthen the bargaining position of the two unions and simplify their organisation, a spokesman said.

## Plan for Belgian tax cuts

BY GILES MERRITT

BRUSSELS, Oct. 4.

BELGIAN INCOME tax rates are to be cut by the end of this year, according to Finance Ministry officials in Brussels. Corporate tax levels, however, will remain unchanged.

The new measures, reducing income tax thresholds (already among the less onerous in the EEC)—are to be published shortly in a special law. The size of the proposed cuts is not expected to be disclosed until then.

The Belgian Government's decision to reduce income taxes was presaged earlier this week by Mr. Leo Tindemans, the Prime Minister, in a speech at Ypres. He said that he viewed the present level of taxation in Belgium as "the chief handicap" to renewed economic growth, and commented that the lightening of the tax burden had become vital. News of the tax cuts is nevertheless likely to be greeted with surprise in Belgian political and financial circles because of the Government's rising current budget deficit. This year, despite Mr. Tindemans's assurances that the deficit would not rise beyond the BFrs 65bn (£1bn) it is widely expected to reach BFrs 100bn.

One factor that is likely to have pushed the Government into proposing income tax cuts that will be financed only with difficulty is Mr. Tindemans's need to strengthen relations with the Belgian Socialist Party, it represents the second largest block in his coalition.

## German industrial orders up, unemployment falls

BY JONATHAN CARR

BONN, Oct. 4.

WEST GERMAN industrial orders have risen again and unemployment has fallen—two signs of a more encouraging economic outlook.

Statistics released today tend to confirm the cautious optimism now being shown by Government, Bundesbank and several research institutes after an economic showing which was at its most dismal in the first quarter.

Orders to manufacturing industry, seasonally adjusted, rose by 6.5 per cent in August against July—thanks in particular to a sharp rise in foreign demand. Industrial production fell by 1.5 per cent from July to August. But it was still markedly higher than during this spring on in combined with action taken by summer last year. Construction remains the nearest thing to a boom sector.

Figures released by the federal Labour Office show unemployment in September falling well below the 900,000 mark by 59,700 to 844,300. The new total represents 3.5 per cent of the labour force compared with 4 per cent in August.

It is now likely that unemployment for 1978 as a whole will average slightly under 3m and both the real economic growth figure and the inflation rate will be about 3 per cent.

This is not markedly different from government expectations at the end of last year. The hope is that the 1979 outlook will be better, as a result of domestic tax cuts and business incentives taken in combined with action taken by summer last year. Construction remains the nearest thing to a boom sector.

## Bonn talks may herald visit by chairman Hua

BY OUR OWN CORRESPONDENT

BONN, Oct. 4.

A MEMBER of the Chinese leadership today began a 10-day trip to West Germany which is expected to be of key importance to the development of relations between the two countries.

Mr. Fang Yi-who, Deputy Prime Minister and member of the Communist Party Politburo, is the most senior Chinese official to visit Bonn so far. His trip is being made at the invitation of Herr Volker Hauff, the Technology Minister. An agreement on technical and scientific co-operation is to be signed and Mr. Fang's programme includes visits to a nuclear power station and an aerospace company.

Talks are to have with Chancellor Helmut Schmidt, Hans Dietrich Genscher, the Foreign Minister, and President Walter Scheel, suggest however that more than technical co-operation is involved. It is widely expected that their discussions will pave the way for a visit to West Germany, possibly in the first half of next year, by Chairman Hua Kuo-feng.

Bilateral economic ties have received a marked boost by the signing in Peking of an agreement of intent, under which West German concerns would receive about DM 500 million of orders to modernise China's coal industry.

German businessmen appear confident that the majority of orders will in fact be placed with them and that it is only the start of a long-term trend. Major opportunities are seen for German participation in the realisation of China's ambitious development plans.

In the first half of this year West German exports to China almost doubled against the comparable period of 1977 to DM 890m. Imports rose by 18 per cent to DM 361m. But China still accounts for only 0.7 per cent of West German exports and 0.3 per cent of its imports.

Bids to China—Page 5

## Finnish air crash deaths

KUOPIO, FINLAND, Oct. 4.

OFFICIALS said today there were no survivors among the 12 military and civilian passengers and three-member crew whose DC-3 plane crashed shortly after take-off here last night.

The dead included a provincial governor, three MPs, and prominent businessmen who were studying Finnish defence procedures. The plane plunged into a lake with flames streaming from one of its engines after taking off from the Kuopio-Rissala airfield.

A military spokesman said the army's seven remaining DC-3s would be grounded pending an inquiry.

The DC-3 crashed into Lake Juuruvessi moments after taking off from Kuopio's Rissala airport at 21.31 local time (19.31 GMT).

The plane's right wing engine stopped and the captain tried to turn back to the runway, but the plane plunged into the lake from 400-500 feet exploding in flames on impact and sinking deep into the water.

The Defence Ministry set up a committee to investigate as soon as possible the cause of the crash. Several eyewitnesses, according to Commander Merio, said the other engine of the Dakota "had sounded like a helicopter."

The Government ordered flags on official buildings to be flown at half mast and the radio switched to solemn music because of the tragedy.

## Ships collide off Spanish coast

CARTAGENA, Oct. 4.

TWENTY-SIX SEAMEN were missing and feared dead today when the Algerian merchant ship Colo sank after it was in collision with an Italian vessel, Spanish navy sources said.

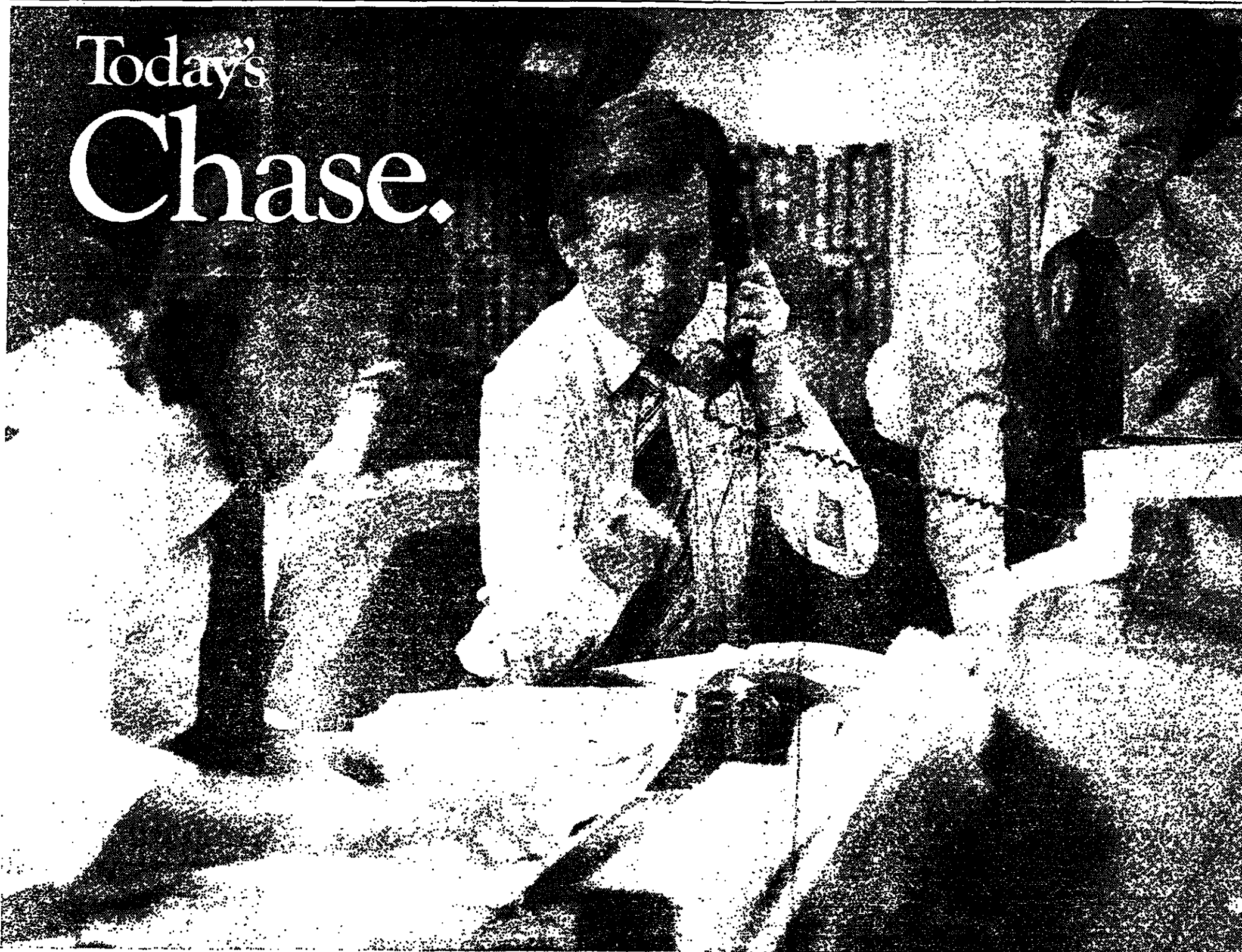
The collision involving the Colo and the Espresso Marini happened at dawn in the Mediterranean about 60 miles off Cape Palos in south-east Spain. Four crew members from the Colo were rescued from the sea by a passing French yacht. But navy sources said the other 26 were apparently trapped in the sinking ship and there was little hope that any survived.

The Spanish Navy launched an air and sea search for survivors but held out little hope of finding any. The four rescued by the French yacht Standfast were later transferred to the Espresso Marini, which sustained material damage but no serious personal injuries in the collision.

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Alan H. Ulrich, Vice President, Manager, Foreign Exchange, Trading London.

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(Financial Director, major UK company)

Recently, an independent research company talked to 200 financial directors of major European companies; but in order that the respondents could feel free to talk openly their identities were not disclosed. The purpose of the survey was to discover Chase's strengths.

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but also give them a system in which they can operate as effectively as possible for customers.

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He added, "I'm influenced by the people I deal with in the banks—and personally I prefer the Chase Bank. They give excellent service and are always ready to give first-class advice. My first choice always."

He went on to sum up Chase's advantage in one word, "people."

Alan Ulrich who manages foreign exchange trading in London agrees. "Better bankers make Chase a better bank."

## CHASE

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## EUROPEAN NEWS

## ARMENIA

## Angry nationalist struggle against Soviet power

BY DAVID SATTER, RECENTLY IN YEREVAN

ON SATURDAY afternoon, chess in the park and young people gather on summer nights around the fountain in Lenin Square, where Western rock music is broadcast over a loudspeaker.

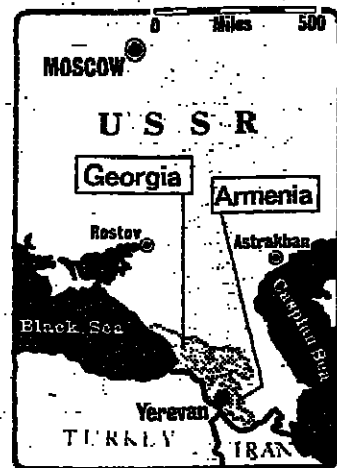
Despite this, there has been an active dissident movement in the area since at least 1963 and many more people have apparently been arrested in Armenia than

in neighbouring Georgia, where nationalism is also a basic issue. Armenian nationalism has a more emotional edge because of the memory of the 1915-18 massacres at the hands of the Turks.

Many Armenians, particularly members of the older generation, give the Russians credit for saving the Armenians from annihilation. "If it hadn't been for the Russians," one taxi driver told me, "the Turks would have murdered every one of us." Others, however, express regret that the Armenians survived the Turkish massacres only to be delivered into the hands of the Stalinists. "The nationalists feel that Soviet power interferes with the ability of Armenians to act for themselves," one woman said.

The monument to the 1.5m victims of the 1915-18 massacres in Yerevan is a tall obelisk rising starkly to a needle point and, nearby, there is a circular mausoleum of 12 inclining pillars around an eternal flame. Oddly, the monument was not built until 1965, after decades when no memorial was allowed. Even today, there is little mention of the Turkish massacres in Armenian schools or in the Press.

Armenian nationalism, which draws some of its force from a sense of historical victimisation, first surfaced in 1963 when more than 200 people demonstrated peacefully outside Communist party headquarters. They were asking for increased protection for the Armenian language. Then in 1965 a group called "Free Armenia" tried to set up a newspaper, but those involved were arrested and their press destroyed.



By 1968, a number of nationalist groups had formed, the most important of which was the National Unification Party (NOP), which succeeded in publishing Armenia's first genuine underground newspaper, "Paros," which is Armenian for "leaven."

NOP's goal was independence and the unification of the Armenian lands, including Turkish Armenia and Karabach, Nakhichevan, a part of Soviet Azerbaijan. Two issues of "Paros" appeared with a circulation of 3,000 each before NOP was suppressed and its press destroyed.

Among the first NOP members to be arrested and subsequently convicted of anti-Soviet agitation were Shagin Artunyan, later to become a founding member of the Armenian Helsinki Agreement monitoring group, Heikaz Khachaturian, an Armenian artist, and Stepan Zatikian, arrested in Yerevan in November 1977 in connection with the Moscow metro explosion.

In 1976, Mr. Artunyan helped found the Armenian Helsinki group, which hoped to operate openly. The group collected information about deaths in prisons, interference with contacts with Armenians abroad and persons denied permission to emigrate.

Virtually none of this information sent to Moscow ever reached its destination.

Mr. Artunyan was beaten by KGB and militia men on the morning of December 1977, and then charged with hoodlumism and sentenced to three years in a labour camp at a trial from which his wife was barred. Edward Artunyan, another Helsinki member and a scientist, was put in a mental hospital and Robert Nazarian, a third Helsinki group member, was also arrested on December 22 and is awaiting trial on charges of anti-Soviet agitation. The charge carries a maximum penalty of seven years imprisonment and five years exile.

Shortly before Shagin Artunyan was arrested last winter, he was called to KGB headquarters and questioned about Stepan Zatikian, whom he had not seen for many years.

Friends of Mr. Artunyan recalled that he and Mr. Zatikian had quarrelled angrily in the Mordovia labour camp where both were serving their terms for anti-Soviet agitation.

Mr. Artunyan said that the way to achieve Armenian independence was to work peacefully for the establishment of human rights in the Soviet Union. Mr. Zatikian, however, advocated peaceful attempts to establish legal rights and argued for the kind of methods which were finally used in the bombing of the Moscow metro.

## Mintoff in European aid bid

By Godfrey Grima

VALLETTA, Oct. 4

AS PART OF a drive to persuade France and Italy to participate with Libya and Algeria in an alliance providing Malta with military and economic guarantees after Britain's military withdrawal in 1979, Maltese Premier, Mr. Dom Mintoff, is believed to have agreed to address the Council of Europe Ministerial meeting in Strasbourg next month.

This follows a suggestion by the council's secretary-general, Mr. Georg Kahn-Ackermann, that the Ministers would discuss Malta's relations with other member states if Mr. Mintoff raised the issue at the November 23 meeting.

In an outspoken address to the Parliamentary Assembly in Strasbourg last week, Mr. Mintoff disclosed that negotiations with France and Italy over cash aid and military guarantees had come to an end. The two countries had been asked to decide whether to join Libya and Algeria in providing Malta with balanced military and economic assistance.

"The answers we received were at best vague and conflicting, at worst arrogant and humiliating," Mr. Mintoff told the assembly. Libya and Algeria, on the other hand, had "readily, unstintingly and unreservedly" met Malta's demands.

Mr. Mintoff's remarks provoked a sharp reply from Italy's Senator Pecorella, who said that the Maltese Prime Minister had raised complex issues which could not be resolved by "demagogic stunts."

In Rome, Malta's charge d'affaires was summoned to the Foreign Ministry which "remonstrated against the inaccuracies in Mr. Mintoff's statement."

Meanwhile, the Maltese Government appears to be stepping up its negotiations for a final accord with Libya and Algeria.

## ECUADOR

## Military still committed to handover of power

BY SARITA KENDALL IN QUITO

IN A strong statement issued last week Ecuador's military rulers repeated their commitment to continue with the electoral process and hand over power to a civilian President, stilling the whirlpool of rumours and doubts which followed the Electoral Tribunal's denunciations of fraud and resignation.

The Electoral Tribunal is to be reorganised immediately and will complete the official recount of votes cast for President last July 16. As none of the candidates obtained an overall majority, a second round play-off between the two leading contestants will be held, and Congressional elections will be called for the same day. But the new Tribunal will also have the responsibility for reviewing the whole poll count, which means there will be a further delay in returning to constitutional government.

Leaders of political parties have welcomed the armed forces' decision, and give special significance to the fact that it was taken by a general meeting of high ranking military officers rather than the ruling triumvirate on its own. Congressional elections were to have been held at a time chosen by the new civilian President—but this would have allowed him semi-dictatorial powers until Congress was functioning, and had been widely criticised. Congress will eventually exercise strong control over any President—but with the multiplicity of parties likely to win seats, its heterogeneity may prove a stumbling block to effective government.

Meanwhile mayors and other local government officers elected on July 16 have already taken up their posts in most provinces. Although the armed forces have rescued the electoral process from the chaos into which it was fast disappearing, the irregularities imputed to fraud and accusations made by the Electoral Tribunal have left a nasty scar. In an unusual consensus, the Press and parties of the left and right attacked the

Tribunal for its slowness, its controversial legal interpretations, its over-eagerness to annul votes and its inefficiency. Senator Rafael Arizaga Vega, who had made unsubstantiated charges of fraud throughout the recounting process, came for much abuse when he took over the Tribunal Presidency two weeks ago, and was pressured into making his evidence public.

Though still evidently viewed with anxiety by some establishment groups, the Roldos/Hurtado plans for the economy are gaining increasing acceptance among more progressive business sectors. With maximum exposure on television, their lucidity and astuteness are impressing an ever broader spectrum, leaving them in a strong position to fight the second round.

Less enviable is the uncertain situation faced by the candidates taking second and third place after the unofficial count. Liberal Party Raul Clemente Hurtado and conservative Sixto Duran Ballen are neck and neck disputing the chance to run in the final. Both are supported by broad-based political groupings which have been suffering from internal party problems.

Political tension, fed by daily rumours of new crises in the electoral process, has been stretched even tighter by a series of bombings in the last weeks. The main targets have been party leaders associated with the Roldos candidacy, but the Electoral Tribunal itself and the Press have also been victims of small bombs. Though little damage has been done the incidents have generated a storm of shocked protest in a country where terrorism is so rare.

The uncertainties and postponements affecting the return to constitutional government have also taken their toll on the economy. Foreign and local businessmen are waiting to see who will be elected President, and, inevitably, major decisions are being put off. The legacy of instability will not make the next government's task any easier, nor does it help the longer term growth of solid democratic institutions which the armed forces have been aiming for all along.

First reactions to Senator Arizaga's presentation were sceptical: there was certainly no proof of a general fraud, and if there were localised inconsistencies, there was little sign of the malicious conspiracy he claimed. Senator Arizaga's supposed neutrality was shattered as he blatantly tried to build up a case against the leading candidate, lawyer Jaime Roldos Aguilera, and then announced that the country should "reject the possibility of a fascist regime" and annul the elections.

Senator Roldos and his Vice-President, Oswaldo Hurtado, have been variously labelled as Fascist, Communist, Socialist, Reformist, Conservative and Populist since their unexpected first

round victory. Both candidates have charged the Ecuadorian oligarchy with manoeuvring to cancel the election and install a new dictatorship, but Senator Hurtado commented that the latest statement by the military is "very positive."

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round victory. Both candidates have charged the Ecuadorian oligarchy with manoeuvring to cancel the election and install a new dictatorship, but Senator Hurtado commented that the latest statement by the military is "very positive."

## U.S. names economic ambassador

President Jimmy Carter has announced he is nominating Mr. Henry Owen as U.S. ambassador at large for economic summit affairs, a job he has been doing on an unofficial basis. AP-DJ reports from Washington. Mr. Owen, who until recently was director of foreign policy studies at the Brookings Institution in Washington, headed U.S. arrangements for the economic summit conferences that President Carter attended in London and Bonn. Another conference is tentatively scheduled for next year in Tokyo.

Mr. Carter said Mr. Owen will be the U.S. representative to the international summit preparatory group where he will represent the President in planning for future summit conferences as well as participating in summit follow-up meetings.

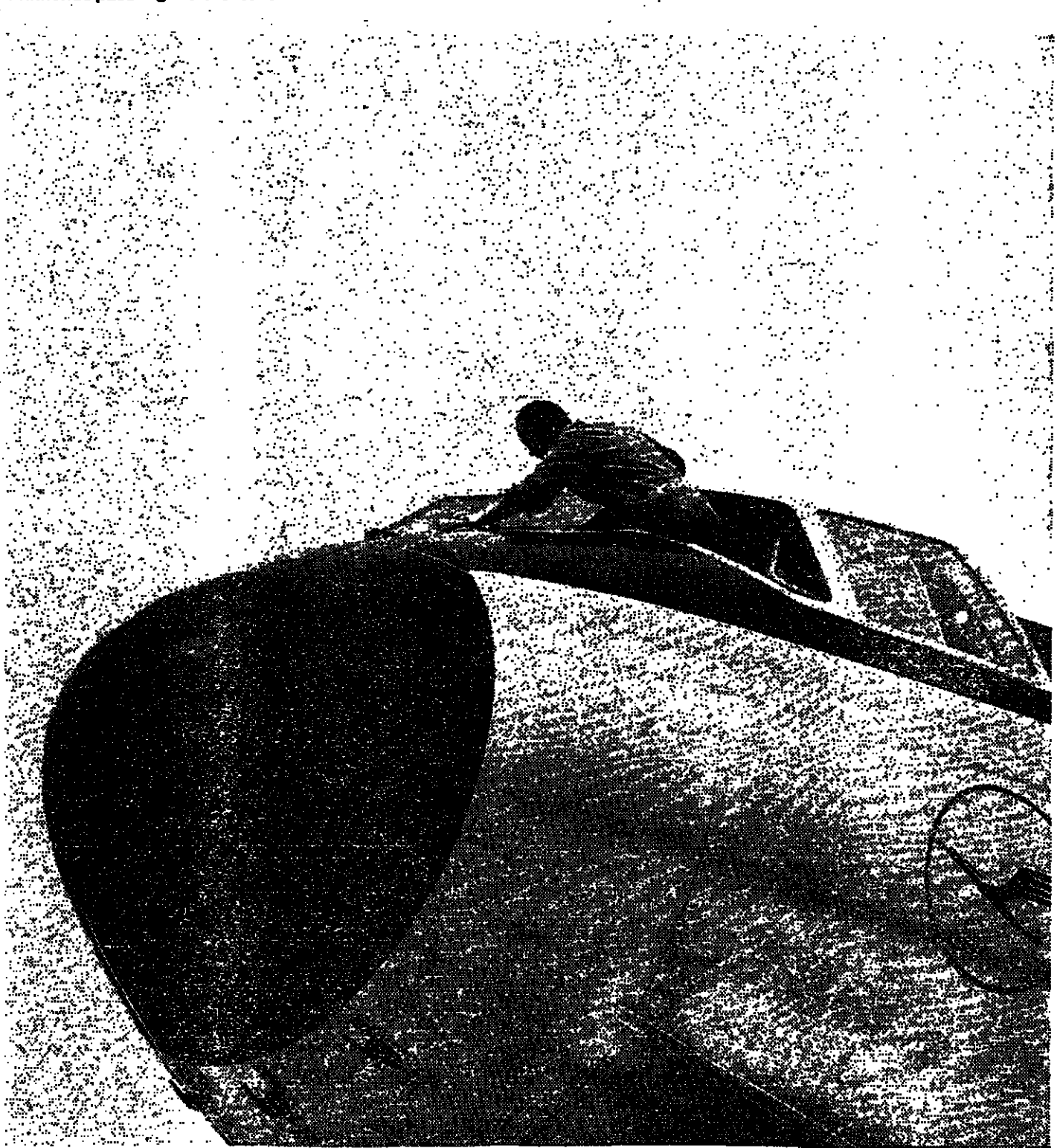
**N-waste disposal plan**  
The U.S. House of Representatives has passed legislation providing federal tax money to clean up radioactive waste from abandoned uranium mills. AP-DJ writes from Washington. The Bill calls for the Government to pay 80 per cent of the clean-up costs. A Senate version of the legislation requires the entire cost be paid by the Government. The estimated bill for the clean-up is \$200m. Environmental impact studies would be made for the clean-up operations.

**Somozas near offer**  
Nicaraguan President Anastasio Somoza says he is ready to offer Cabinet posts to opposition forces in order to find a peaceful solution to the country's political strife which last month left hundreds dead and five towns in ruins. Reuter reports from Managua.

**Panama Press law**  
Panama is forming a committee of Government and journalists' union representatives to certify all reporters and public relations personnel under a new law. The law sets fines of from \$100 to \$500 for the first conviction of working without certification and for firms hiring uncertified personnel. AP reports from Panama City. The head of a Panamanian journalists' union said reporters asked for such a law.

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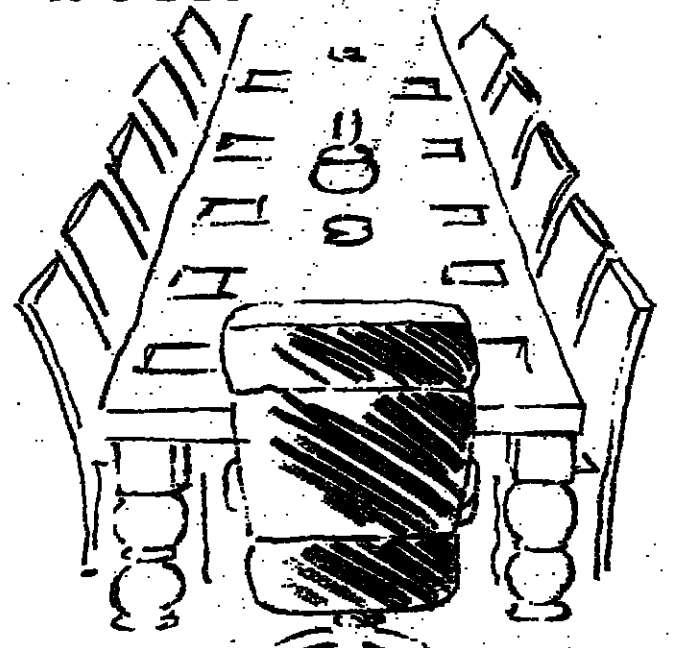
And with the care comes the service, with 17 flights a day, including three by the new wide-bodied A300 Airbus, serving Frankfurt and Düsseldorf.

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## Cosmonaut supply ship launched

MOSCOW, Oct. 4

THE SOVIET UNION launched another unmanned supply ship, Progress 4, Wednesday to prolong the record-breaking flight of two Russian cosmonauts aboard the Salyut 6 space station.

The Soviet news agency Tass reported that the automatic transport ship was rocketed into space at 02.09 am Moscow time, and that all systems aboard the vessel were operating normally.

Progress 4 is carrying fuel and assorted cargo for the cosmonauts, Commander Vladimir Kovalev and Flight Engineer Alexander Ivanchenko, who now hold the space endurance record as they begin their 15th week aboard the orbiting space laboratory.

It was the third Progress ship launched to carry supplies to the Kovalenok-Ivanchenko mission. Progress 2 was launched on July 7, and Progress 3 on August 8 to ferry mail, food and other items.

The launching of the Progress ships have enabled the Soviet space programme to make full use of the Salyut 6 space laboratory and to extend the many experiments which the cosmonauts are performing on board.

Western experts here say the main reason why the Russians are so interested in prolonged space flight is to see "how far their men and machinery can go" in a weightless, stress-laden environment.

Three would-be bank robbers killed two Soviet policemen and a civilian in a crime spree that investigators found difficult to solve because there were no witnesses to the murders, a Soviet newspaper revealed on Wednesday in an unusually candid article.

The full-page report in Literaturnaya Gazeta was extraordinary in view of official Kremlin claims that violent crimes are a problem of Western capitalist society.

Of the three men linked to the murders, one was killed in a shootout with police when he resisted arrest, a second received the death sentence after being brought to trial and the third was given a 15-year sentence after he pleaded guilty and confessed. The two men brought before a Soviet court were brothers.

The Soviet Union conducted an underground nuclear test in the Arctic today, the Royal Dutch Meteorological Institute (KNMI) said, Agencies



## AMERICAN NEWS

## New bid to win \$3bn aid in quieter aircraft Bill

BY OUR OWN CORRESPONDENT

NEW YORK, Oct. 4

MAJOR U.S. airlines and their supporters in Congress are making a final effort to secure legislation which would provide \$3.2bn to re-equip fleets with quieter aircraft by 1985. The legislation is being closely watched by many international airlines which would qualify for total grants of up to \$800m. With Congress planning to adjourn about 10 days, the Senate Finance Committee has taken a decision which leaves the Bill's supporters with a formidable lobbying job if it is to succeed with this Congress. On the positive side, the committee has kept the Bill alive, by sending it to the Senate for debate. But they did so in a form which eliminated the provision of grants for airlines. The provision has become increasingly controversial in a

year in which airline profits have soared and its removal increases the possibility that the Bill will be scheduled for a Senate vote. Since the House of Representatives has passed a version which makes money available to purchase quieter aircraft, the airlines now hope that the House will prevail in the joint House-Senate conference which will decide the final form of the legislation. Another factor is that some Congressmen who are reluctant to support airline deregulation legislation, at present in a joint committee, are threatening to oppose this measure unless the re-equipment grants are also approved. The origin of the quieter aircraft Bill is the imposition of stiff Federal noise regulations four years ago which require the

main categories of commercial aircraft to operate at reduced noise levels by 1985. The airlines have argued that it will be financially impossible to comply with the noise levels unless they receive cash aid, and that Congress should supply the money because it was Congress which refused to exempt the present generation of aircraft from the new noise regulations. Legislation passed by the House would divert the proceeds of the 8 per cent airline ticket tax and the 5 per cent airline freight tax to a fund for airline re-equipment. To the accompaniment of some rude Senatorial comments about airlines, the Senate Finance Committee yesterday merely reduced the level of these taxes so as to benefit the consumer.

## Democrats to fight Carter veto move

By David Buchan

WASHINGTON, Oct. 4

PRESIDENT CARTER'S decision to veto the \$10bn Public Works Bill has split him against his own party in Congress. The party will try to override the veto. This requires a two-thirds majority of both Houses of Congress. Mr. Carter yesterday took the unusual step of announcing he would veto the controversial Bill later this week, but without actually doing so immediately. This tactic gives the White House a little extra time to orchestrate its campaign against the Bill.

The Administration is now in the politically uncomfortable position of having to rely on substantial support from Republicans to support the veto. The Democratic majority leaders of both Houses, Senator Robert Byrd and Representative Thomas O'Neill, have denounced the President's move. Mr. Carter said the Bill, which contains \$1.8bn for water projects that the Administration asked for, "spends the taxpayers' money in a very inefficient and inappropriate way."

Keeping the 1979 federal budget deficit down to near \$40bn is the declared keynote of Mr. Carter's anti-inflation policy. Mr. Charles Schultze, Chairman of the President's Council of Economic Advisors, today reflected suggestions that tough presidential action on the legislative front was designed to cancel the relatively ineffective adjustments which the Administration intends to make on its current wage and price policy.

The latest veto comes as no surprise. Last week Mr. Carter hinted very strongly he would take this action. In an earlier conference, he remarked that he wished he had vetoed last year's public works legislation. Public works bills, which mainly comprise water resources projects such as dams built by the Army Corps of Engineers, are traditionally the occasion for the Senator and Congressman to get something for his state and district.

The core of Mr. Carter's objections centres on six dam projects, which he thought he had blocked last year, and 27 new water projects, costing \$1.2bn more than the Administration wants. The bulk of the water projects are for the water-short western states whose congressional representatives are likely to lead the fight on Capitol Hill against the veto.

But Mr. Cecil Andrus, Interior Secretary, himself a former governor of Idaho, was today at pains to point out the Bill was not "anti-western" and that it had the support of the majority of at least seven western states.

## Inflation rate speeds up

This year's U.S. inflation rate has clearly accelerated from the previous two years, and should show an increase of about a percentage point over 1977, the Council on Wage and Price Stability says. Reuter reports from Washington.

In the second of its periodic reports on inflation, the Council states that some of the factors in this year's surge are, in part, "a good deal of uncertainty remains, particularly about food prices."

## OVERSEAS NEWS

## S. Africa threatens Third World mineral producers

BY QUENTIN PEEL

JOHANNESBURG, Oct. 4

SOUTH AFRICA warned today that it might be forced to under-cut world mineral prices in order to market its output in the face of economic sanctions. Such a move would threaten any efforts being made by Third World producers to stabilise prices, a leading Government Minister said.

Mr. Chris Heunis, the Minister for Economic Affairs, speaking at a business conference here, gave a specific warning to those Third World countries which are taking the lead in efforts to isolate South Africa from world markets.

"One must have serious doubts, in the case of several important internationally traded

primary commodities, about the viability of any rationalisation efforts which exclude such a major producer as South Africa," he said.

Moreover, if politically inspired actions against the South African economy should force this country to market its primary products in unorthodox ways, and probably at discount prices, that in itself could jeopardise the efforts of Third World countries in this field.

South Africa was specifically excluded from a meeting of manganese producers in Gabon last month. South Africa is responsible for some 25 per cent of the total world output of manganese. He warned earlier that "strategic considerations" called into

question the wisdom of "following a development strategy which relies heavily on exports, which may be vulnerable to hostile international actions against the South African economy."

Reuter reports from Lusaka: Zambia President Kenneth Kaunda has sent envoys to Botswana, Angola and Tanzania amid signs that he is seeking to revive stalled peace efforts on Rhodesia, diplomatic sources said today. President Kaunda returned last night from a one-day meeting with Mozambique President Samora Machel in Maputo. He appears to be in the forefront of attempts to mend divisions in the "frontline" states.



## Monsoon storms hit Indochina

By Richard Nations

BANGKOK, Oct. 4

VIETNAM'S rice-bowl in the Mekong Delta has been hit by the worst flooding in a half a century, following an unusually rapid sequence of heavy tropical storms since mid-August. The damage to the economy is difficult to gauge accurately. But observers here think it must be severe, particularly since it is only the latest in a series of setbacks which add up to serious economic dislocation. These include the nationalisation of trade in March, the exodus of ethnic Chinese, particularly from the transport and engineering sectors following Hanoi's dispute with Peking in July, and a plague of insects which has hit spots in both the North and South of the country.

Trouble began with Typhoon Bess, which hit Indochina on August 12. One month later three tropical storms separated by no more than a week—and culminating in the particularly furious Typhoon Kit—poured rain over the central highlands of Vietnam and Cambodia and

the low-lying rice-bowl of Laos. All three of these great rain into the Mekong river basin, and in the past fortnight have swelled the delta's discharge to one metre above its normal depth—the highest recorded level in 50 years, according to United Nations officials.

Current flood levels are projected to last at least one month, and even then, they will only drain away very slowly. It should be well into November, therefore, before the floodwaters subside in the delta—provided there are no more unexpectedly heavy rainfalls.

Experts from international agencies who have recently visited the area say damage to the crop is extensive, but an exact figure is virtually impossible to pin down. One agronomist, working for a UN agency, said that even for the flood Vietnam's rice harvest was under heavy attack from pests due to a critical lack of insecticides and spare parts for sprayers. The brown, flat hopper, which attacks the older high-yielding rice varieties grown in the Mekong Delta, has encroached in epidemic proportions on the younger rice crops. A large part of the crop in the South by mid-August. In the North, a variety of fungus called rice blast has assailed the harvest, again causing untold damage.

Following the September 21 storms, Rindin Hanoi said that about 1.5 tonnes of rice had been lost as a result of flood and pests. About 2.1m people have been directly affected by the floods, and 1.5m are officially estimated to be in need of urgent food aid. The report also said that 50,000 oxen and 150,000 pigs perished due to high waters. Vietnam's 1977 harvest was also damaged by inclement weather, but drought and frost rather than floods.

Last year's rice import requirement was nearly 2m tonnes, and this year official estimates for food-aid requirements range between 1.2m and 1.5m tonnes. Privately, however, Hanoi officials tell visitors that this year's food aid is in fact more than double this figure.

If the economic dislocation is anywhere near what Hanoi officials claim, political repercussions are not to be discounted. The whole theme of post-war domestic reconstruction in Vietnam, however, the regime finds itself weighed down with the equivalent of 10 divisions mobilised in a border war against Cambodia. Diplomats under pressure from Hanoi only underestimate Vietnam's credit rating in the world's capital and investment markets.

The burden of unexpected economic hardship is expected by some observers to force a re-assessment either of current domestic and foreign policies or of the leadership itself. However, there are as yet no clear signs of deep political divisions in Hanoi.

Although Cambodia does not report to international agencies that it must also be affected by heavy flooding in the Mekong Delta, the loss to production may be offset by a tactical advantage gained in the war. However, since the heavier Vietnamese forces will be tied down to the roads, allowing the Cambodian army some respite from the heavy hammering it is thought to have taken before the heavy rains.

R. K. Sharma adds from New Delhi: A severe cholera epidemic around Calcutta has added to the troubles of the flood-affected state of West Bengal. The breakdown of communications has made it difficult to send medical supplies to the affected areas and the state's Chief Minister, Mr. Jyoti Basu, said shortage of medicines was being aggravated by looting.

## California home loans rates rise

BY STEWART FLEMING

NEW YORK, Oct. 4

MAJOR Californian savings and loan associations are increasing the cost of home loans back to the 10 per cent level which they first hit in May of this year. But despite the rising cost of borrowing, the companies continue to report strong demand. Nationally, the average cost of a home loan is now up to 9.73 per cent and is expected to continue rising as the cost of the lending institutions' funds continues to rise. But whereas in the past as interest rates increased the lending institutions found they had to cut back on loans because their savings inflows declined this is not yet happening on any scale.

Salomon Brothers, in a recent analysis of the market, pointed out that while in the early part of the year savings institutions experienced a decline of almost 50 per cent from \$8.5bn to only \$4.7bn in net inflows, by August there were clear signs of a revival. The improvement is mainly due to the introduction in June of the six-month adjustable rate certificates, which Moody's, the stock rating agency, estimates have attracted as much as \$300m in funds.

Although some of the money will have gone to commercial banks and some will represent transfers from one savings

account to the new high interest six-month certificates, it is accepted that the certificates have added to the funds lending institutions have available for the housing market. In spite of fears about the level of activity in the housing industry 2m new houses are being built every year.

Early in the New Year many of the new certificates came to maturity and it is expected that investors will buy new certificates. Currently rates being offered are a full percentage point higher than when the certificates first became available. This will significantly increase the lending institutions' cost of funds.

## U.S. insurers sue for \$20m

BY JOHN MOORE

TWO U.S.-based businessmen, who played a part in the events which have led up to dispute over \$10m worth of reinsurance contracts between the Brazilian Reinsurance Institute and Lloyd's of London underwriting syndicate headed by Mr. Frederick Sasse, have been sued by two American insurance companies.

The businessmen—Mr. John Gueffert and Mr. Richard Mamarella—are contesting actions brought against them by the North American Company for Property and Casualty Insurance of Chicago and the Argonaut Insurance Company. The North American Company for Property and Casualty Insurance is claiming against Mr.

Gueffert, Mr. Mamarella, and an associate, Mr. Allan Assael, for \$13m of premiums which are alleged to have been "fraudulently obtained by the Brazilian Reinsurance Institute and Lloyd's of London underwriting syndicate" which they had arranged. The Argonaut's action alleges "conspiracy to defraud, conversion and misappropriation of premium trust fund monies belonging to the Argonaut in the amount of \$7m, and other breaches of duty."

The cases, which have been in progress since 1976, are quoted in the Brazilian Reinsurance Institute's latest defence in answer to the claims of the Lloyd's underwriting syndicate. The Brazilians are refusing to

pay claims of about \$10m on reinsurance arranged with them by the Sasse syndicate. Mr. Gueffert and Mr. Mamarella are two insurance brokers who produced the same type of property insurance business for a company run by Mr. Dennis Harrison. Mr. Harrison was authorised to accept business on behalf of the Sasse syndicate.

The recently amended defence of the Brazilians attempts to establish that the same type of business disputed with the American companies (property insurance on high risk properties mainly in the New York and New Jersey areas) was eventually insured with the Lloyd's syndicate, and reinsured with them.

## Drivers threaten Post's return

BY JOHN WYLES

NEW YORK, Oct. 4

PERSONAL INTERVIEW with Mr. Rupert Murdoch, the publisher, is understood to have clinched an agreement to this morning with journalists and commercial staff employed by the New York Post.

The agreement strengthens the possibility that the afternoon newspaper will reappear tomorrow after an eight-week absence caused by a strike of New York printers. The long problem has developed with the newspaper's delivery drivers who had agreed in principle to new contract proposals last week but who are now demanding some revisions.

The Post management said today that it was not prepared to concede the delivery drivers' new demands, so prospects for publication tomorrow remain uncertain.

It is suggested that Mr. Murdoch is anxious to scoop in the normally heavy advertising which precedes next Monday's Columbus Day holiday in New York. It has also been reported that Mr. Murdoch may bring forward the Post's publication times to establish it as a morning paper in direct competition with the rival tabloid, the Daily News. The Post, however, has refused to comment on these reports.

Details of the agreement are unknown but the publisher may have been driven to compromise on his earlier position because of his evident desire to get the Post back on the streets ahead of the two morning newspapers, the New York Times and the Daily News, which resumed negotiations with the pressmen this morning.

## U.S. COMPANY NEWS

Canadian disposal to boost Ashland Oil; Great Atlantic and Pacific Tea deficit; General Motors predicts cut in margins—page 27

## THE CRISIS IN THE LEBANON

## The Camp David accords have made Israeli intervention unlikely

BY PATRICK LOCKBURN

THE SCALE of fighting in and around Beirut over the last week has surpassed anything since the civil war ended in October, 1976. Most of the houses in the Christian strongholds in the capital are reported to have been destroyed or damaged while their remaining inhabitants have left for the relative safety of the country.

Successive rounds of fighting between the 30,000-strong Syrian contingent to the Arab League peace-keeping force and the Right-wing Christian militias have increased in ferocity since February, as the Christian-Syrian alliance born in the civil war gradually collapsed.

The war had left a Christian enclave stretching from East Beirut to Zghorta in the north which functioned as a virtually independent state. Though Mr. Suleiman Frangieh, the ex-President, has remained a firm supporter of Syria in the three northern regions of Zghorta, Baeharre and Batri, supporters of former President Camille Chamoun have remained in control of the rest of the Christian redoubt.

The Syrians' normal response to what they regarded as Christian provocation over the last nine months has been heavy artillery and rocket bombardment of Beirut's Christian quarters. This had the dual aim of dividing the militia from their civilian supporters and avoiding the heavy

Syrian casualties inevitable in an infantry assault. Such attempts to demoralise Christian civilians had only limited success, though it led to the exodus of more than 300,000 people from Beirut. The Phalangist and Chamounist leaders in any case depend on their paramilitary organisations for their authority.

In the past Syrian nervousness of Israeli intervention has led to the determination in Damascus not to allow a Christian state to develop outside the authority of President Sarkis's Government. Mr. Camille Chamoun in particular has their paramilitary organisations vigorously demanded Syrian departure.

Assad to visit Moscow President Hafez Assad is to visit Moscow later on this week at the invitation of the Kremlin. The Syrian President was asked by countries opposed to President Sadat's initiative to secure Soviet support. Top priority is now the Russians renewing their commitment to the defence of Syrian territory.

Syria needs new weapons and spare parts. President Assad wants to achieve what is termed here as "strategic balance" between Syria and Israel.

In the current fighting east Beirut has been cut off from the rest of the Christian enclave by Syrian tanks and infantry holding the Quarantine bridge. Having received most of Assad's Israeli intervention unlikely over the next three months up to the moment when an Egyptian-Israeli treaty is signed, in the intervening period Syria has its best opportunity of quelling the Christian militias while limiting

the risk of an Israeli counter-attack. Early in July Israeli Kfir fighters overflew predominantly Muslim west Beirut and Israel gave a clear warning that it would not stand by while the Syrians wiped out the Christian militias. But with 6,100 UN troops stationed in south Lebanon now, in effect, protecting the Syrian army's southern flank, direct intervention would be difficult.

In Damascus the Syrians were quick to blame the latest round of fighting on the U.S. and Israel, arguing that it was provoked to distract Syria from opposing the Camp David agreements. But, while claiming they are the victims of a conspiracy, President Assad left for a visit to East Germany as the crisis began to develop.

The Camp David agreements in reality are more likely to restrain Israel from active intervention. The U.S. in particular is anxious to avoid any military action by the Israelis which would increase criticism in the Arab world of any agreement with Israel.

In so doing he, and other Christian leaders, may have exaggerated Syrian capacity to take heavy casualties and fear of Israel. But the Camp David agreements have made full-scale Israeli intervention unlikely over the next three months up to the moment when an Egyptian-Israeli treaty is signed, in the intervening period Syria has its best opportunity of quelling the Christian militias while limiting

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## EEC grain for China

BRUSSELS, Oct. 4

THE EEC may open a wheat export tender soon which would cover exports of Common Market wheat to China, EEC officials said.

An initial 300,000 tonnes of soft wheat could be made available in a new tender covering the Far East, but no final decision has been taken yet. The area extends from Afghanistan to China as well as Australia and New Zealand but is not included in the EEC's current weekly cereals export tenders.



## PROTAGONISTS IN THE BATTLE

President Elias Sarkis, elected September 1976  
Prime Minister Dr. Selim al-Hoss, appointed December 1976  
Lebanese Army: 7,000  
Arab Detachment Force: c. 30,000  
United Nations forces in the south: 6,100  
Phalangist (Rightists): approx. 3,000  
Chamounists (Rightists): 1,000  
Frangieh (pro-Syrian Rightists): 2,000  
Maraboutism (Muslims): 1,000  
Druze: 500  
Palestinians: Fatah 10,000  
Political groups  
Phalangist (Rightist): leader Mr. Pierre Gemayel: National Liberal Party (Rightist): Mr. Camille Chamoun, Muslim leaders: Mr. Saeb Salam (Sunni); Mr. Rashid Karami (Sunni leader in Tripoli); Imam Moussa Sadr (Shiite); Mr. Walid Jumblatt (Druze).

## Giscard backing for Beirut peace bid

BY DAVID WHITE

PARIS, Oct. 4

PRESIDENT Valéry Giscard d'Estaing today sent messages to President Carter and the Syrian Head of State, President Hafez al-Assad, to back up French initiatives at the United Nations for a separation of forces in Lebanon.

The French proposals, which came after several days of heavy artillery attack by the mainly Syrian Arab peacekeeping force on Christian areas of Beirut represented a renewed effort by France to assert a leading role in Middle East peace moves.

Strussing his historical links—both Syria and Lebanon were under French mandate between the two world wars—France offered more than two years ago to send a force of 5,000 men to act as a buffer between Muslims and Christians in Lebanon.

The offer, strongly attacked by Arab leaders, was not taken up, but earlier this year France became the only member of the Security Council to send troops as part of the UN intervention force in south Lebanon.

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Proposals, presented yesterday at the UN by Mr. Louis de Guiringaud, France's Foreign Minister, contained three main elements: an immediate cease-fire; the deployment of the Arab peacekeeping force (meaning its removal from the main battle zones); and the intervention of a buffer force of mixed Christian and Muslim elements of the Lebanese army.

Saudi Arabia's Foreign Minister held talks with Mr. Giscard d'Estaing on the proposals this morning. Saudi Arabia has taken part with Syria in the peacekeeping force.

The French proposals are recognised here to be faced with difficulties, such as the control of Right-wing Christian militias and the weak showing of the Lebanese army in maintaining order.

Mr. de Guiringaud proposed that the setting-up of a buffer force should be agreed between Syria and Lebanese officials with the possible help of the French Embassy in Beirut. But France is clearly looking for wider backing for its plan, particularly from the UN.

## Giscard backing for Beirut peace bid

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## WORLD TRADE NEWS

## Japan plans sharp cutback in car shipments to UK

By RICHARD C. HANSON

JAPANESE MOTOR manufacturers will reduce the number of motor vehicles to be shipped to the UK this month to about 3,000 vehicles from a monthly average of around 13,000 earlier in the year in an effort to keep total 1978 shipments at or below last year's level, the Japanese Ministry of International Trade and Industry (MITI) said yesterday.

Plans for the remainder of the year have not been decided, but according to the car makers, but the British Department of Trade has been shown shipment schedules which indicate the promised target will be met. UK officials are still concerned, however, that the Japanese share of new car sales will exceed that achieved in 1977.

In the first eight months of this year, Japanese motor vehicle shipments to the UK rose 14.5 per cent from the comparable period in 1977 to 108,400 units, prompting official concern that overall shipments would exceed the 151,000 units exported last year. Britain's ambassador in Tokyo, Sir Michael Wilford, last week complained directly to the Minister of International Trade and Industry, Mr. Toshio Kono, that there had been an increased flow of Japanese vehicles to the British market.

Reports from Tokyo yesterday said Nissan Motor, the maker of Datsuns, will hold October exports to 1,500 vehicles, down from a monthly average of 7,500 earlier. Toyota Motor said it would ship only 1,000 vehicles instead of a normal 2,000. Honda Motor said it would export about 350 vehicles, while Mitsubishi Motor, Toyo Kogyo (maker of Mazda cars) and Fuji Heavy Industries (Subaru) said they planned no exports in October.

The Japanese took an 11.5 per cent of the British car market in the first eight months of this year, which is above the 10.41 per cent share reached in January-August 1977. The Japanese Automobile Manufacturers' Association (JAMA) agreed early in the year that its share of new registrations in 1978 should remain between 11 per cent and 12 per cent, or roughly equivalent to the 10.6 per cent share reached for all of 1977.

The British Society of Motor Manufacturers and Traders (BSMMT) estimates that the Japanese will have to reduce their market share in the remaining months of this year to 7.5 per cent of the total in order to stay within the agreed limits. September figures are not available, but the Japanese probably took 9-10 per cent of the market last month.

According to BSMMT figures, overall British car registrations in the first eight months of the year rose about 23 per cent.

## Swedish sales down 22%

By JOHN WALKER

STOCKHOLM, Oct. 4.

SALES OF new cars in Sweden during the first nine months of this year amounted to 145,684 units compared with 180,757 in the same period last year. In September this year sales fell to 19,358 compared with 23,307 cars in the same month in 1977, according to the Swedish Association of Motor Manufacturers and Traders. That followed a 30 per cent drop in car sales during the first six months of this year on the same period in 1977.

For the first three quarters of this year sales are about 22 per cent lower than in the January-September period in 1977. So the gap has narrowed marginally during the third quarter. But although traders are putting on a confident front there is very little chance of that sales for the whole of this year will come anywhere near the year's 12-month total of 241,000 cars.

Some car owners are maintaining their cars much more carefully than earlier, due mainly to the high purchase price of a new vehicle.

Japanese imports during the first nine months of this year increased their market share to 10.35 per cent compared with 9.35 per cent in 1977. Total sales for Ford were 16,382 units having a market share of 11.35 per cent compared with 10.2 per cent for the same period last year. Volkswagen sold 15,151 cars with a market share amounting to 10.35 per cent against 12.83 per cent in 1977.

Saab sold 20,019 units during the first nine months of this year, amounting to a 13.73 per cent market share compared with 12.22 per cent in 1977. Volvo's market share in the first nine months of this year amounted to 22.80 per cent or 33,281 units compared with 22.73 per cent in 1977.

## French sign Brazil trade pact

By DIANA SMITH

BRASILIA, Oct. 4.

ON THE eve of the arrival of President Valéry Giscard d'Estaing for a four day official visit to Brazil, diplomats of the two countries have exchanged notes of intent covering a \$287m package of French goods and services.

If subsequent negotiations, due to be completed by mid-December, are successful, the French Government will sponsor financing for materials and services for three areas: hydro-electric schemes, suburban railways and potassium mining.

In the first area the French Government would offer a government to government loan of 15 per cent of the sum of \$82m which would cover supplies of French equipment for the second stage of the Tucuruí hydroelectric scheme in the Amazon (where French companies are already equipping the first stage) and for the new Balta scheme, also in the Amazon.

The remaining 85 per cent would come from private credit, guaranteed by the Compagnie Française d'Assurance Pour le Commerce Extérieur.

In the second area — the new suburban railway line for the southern city of Porto Alegre, the financing structure would be the same — 15 per cent government to government loan and 85 per cent private credit for a total sum of \$57m.

The third proposal covers technical co-operation between the Compagnie des Mines et Potasse d'Alsace and the mining sector of the Brazilian state of Mato Grosso. It involves the state-owned Petrópolis to work potassium reserves in the state of Sergipe in Brazil's northeast. In this case the sum of money advanced would be \$115m, again with 15 per cent private credit guaranteed by the Compagnie Française d'Assurance, and 15 per cent government to government loan.

The exchange of notes substantiates the general view that Giscard d'Estaing's visit is of greater commercial than political importance.

France is now the sixth largest foreign investor in Brazil, and Brazil is France's largest trading partner in Latin America. Moreover, Brazil has a trade surplus with France variously quoted as \$270m or \$330m — a situation the French are anxious to rectify.

Another agreement is due to be signed during Mr. Giscard's visit: a technical co-operation agreement which could lead to supplies of French technology for weather or telecommunications satellite launchers, among other items.

Renner adds from Stamford Connecticut: Combustion Engineering Inc. says it has won a contract from Jari Florestal E Agropecuária of Brazil to provide engineering, procurement and onshore construction services for a \$350m pulp mill near Manaus in Brazil's Amazon basin.

The company says that the pulp plant and power generation sections were built in Japan and towed to the site, but that the company itself will build auxiliary chemical plants and other structures.

## Iraqi rail contract

By OUR OWN CORRESPONDENT

BRASILIA, Oct. 4.

THE BRAZILIAN building group, Mendes Junior, with the state-owned trading company, Interbras, acting as agents has signed a \$120m contract in Baghdad to build the 550 km railway linking Baghdad to Habbaniya, near the Iraqi-Syrian frontier.

This is the largest services export contract ever signed by a Brazilian concern. The work will last for four years and employ 8,000 people.

Mendes Junior was one of three companies originally short-listed and, finally, after months of arduous negotiation, defeated its competitors of India and Envero. Project of Yugoslavia. This is Mendes Junior's fifth overseas contract; recently the group built the 600 km trans-Mauritania highway and is now building the Patimar dam in Uruguay.

## Airbus Industrie calls for British participation

By ROBERT MAUTHNER

PARIS, Oct. 4.

M. BERNARD LATHIERE, chairman of Airbus Industrie, said here today that he had virtually no doubt that the UK would rejoin the European consortium, in spite of the problems which had arisen recently in the Franco-British negotiations.

His opinion was that it was 99 per cent certain that the negotiations would be successfully concluded. Mr. Lathiere said at a luncheon of the Anglo-American Press Association of Paris.

Though he could not speak for the Governments involved, he and his team at Airbus Industrie very much wanted the British to come in.

There were several reasons for this favourable attitude towards British membership. It was clearly desirable that British Aerospace, as the biggest airframe manufacturer in Europe, should participate in the biggest European civil aircraft programme, though he stressed the need for a quick decision.

In addition, Airbus Industrie had been very satisfied with the contribution to the Airbus programme made by the Hawker Siddeley (now part of British Aerospace) which builds the wings of the B-2 and B-4 Airbus. Hawker Siddeley had not only brought advanced technology to the programme, but its products were competitively priced and it had a good delivery record.

## Trade mission urges speed in bids to China

By Colina MacDougall

AT A conference held at the CBI headquarters in London yesterday members of the mission which accompanied Mr. Edmund Dell, Trade Secretary on his visit to China last August, reported that speed was essential to British businessmen in approaching China, as the competition from Japan and other European countries was formidable. It was also necessary to be co-operative about marketing Chinese exports.

Areas where Britain should concentrate were mining equipment, petrochemicals, steel and steel plant, offshore oil, aerospace, railways, and ports. Smaller firms were advised that they could best approach China as part of a larger package, since the expense and difficulty of penetrating the market were considerable.

While the Chinese were prepared to do any deal under \$5m for cash, Lord Limerick, director of Kleinwort Benson, said contracts could now involve various forms of credit. ECOD is at present working out a form of buyer's credit acceptable to the Chinese. Compensation deals, which the Chinese were now trying out, were a further method of trading.

It also emerged at the conference that British Petroleum are to send a team to China later this year to discuss offshore oil development. A Pye delegation will also visit China for 10 days beginning on October 10, at the invitation of the Chinese Electronics Society.

## Spain orders first ITT System 12 in Europe

By JOHN LLOYD

THE National Telephone Company of Spain has ordered an ITT System 12 large local exchange for the town of Salamanca. The order is thought to be worth around £5m.

The 10,000 line exchange will be the first of its kind in Europe. It will be a fully electronic digital system of a size larger than any currently in use.

The development of the exchange — which will progressively replace ITT's current exchange technology, the Metaconta — will be done jointly at ITT's Standard Electrica plant in Spain and at the company's research centre in Stamford, Connecticut, in the U.S.

The National Telephone Company will also be involved in the development of System 12. Delivery of the Salamanca exchange is scheduled for late 1981.

The development of System 12 will in effect mean that ITT will have two electronic digital exchanges under manufacture by the early 1980s.

System X, the exchange developed by the British Post Office in association with its three main

## New Nigerian import curbs

By Martin Dickson

THE Nigerian Government has imposed new restrictions on the importation of certain categories of consumer goods, according to a circular issued by the country's Central Bank.

Since the start of this week, 24 items have been placed under import licences, including cameras, clocks, amplifiers, children's toys, and ceramic products (other than industrial).

Four categories of goods have been banned completely, including calendars and greetings cards.

## U.S. locomotives deal

THE semi-state-owned U.S. railway Amtrak has increased its orders to ASEA of Sweden for Thyristor locomotives. The initial order for eight locos was increased to 15, with it is understood, a further 15 locos bringing the total to 30.

The total value of the 30 locos is about U.S.\$73m. The first in the series of 15 will be delivered at the beginning of December next year and the last in October 1980.

## Steel chiefs' world crisis proposal

By Roy Hodson

COLORADO SPRINGS, Oct. 4.

A JAPANESE proposal to help solve the crisis in international steel trading has been put forward. An extended system of voluntary restraint agreements between the big producing areas of Japan, Europe and America is proposed, with EEC countries cutting steel exports to the United States by 20 per cent.

Western world steel industry leaders, meeting here at the International Iron and Steel Institute Conference (IISI), have identified the main problem facing the industry as overproduction of steel in many countries during the recession, and the sale of surplus steel to other markets at low prices.

Mr. Eishiro Saito, the president of Nippon Steel Corporation, and chairman of the IISI, has put forward the Japanese industry's solution. He wants other producers to follow the lead of the Japanese industry in holding down shipments of steel to sensitive markets.

Mr. Saito hinted that progress is being made towards limitation upon EEC steel exports to the United States. "I am hopeful that it will be possible to find a solution along those lines, even if the U.S. Government has to be involved in giving a lead to such a move."

Japan entered voluntarily into a restraint agreement with the European community on steel last year. It is working well, and the Japanese expect to deliver 600,000 tonnes less to EEC countries than their quota for 1978. Japan has also voluntarily cut its exports to the United States by 20 per cent for 1978.

"It is deplorable that other countries cannot achieve the same thing," said Mr. Saito. His comment was clearly aimed at the EEC industry, which (the British Steel Corporation excepted) has stepped up exports to the United States by 45 per cent this year.

## East-West trade declines

By LESLIE COLITT

BERLIN, Oct. 4.

THE GROWING economic interdependence which was a feature of East-West trade in the first half of the 1970s was reduced last year according to an analysis by the German Institute of Economic Research in West Berlin.

For this year, Comecon statistics show a 3 per cent increase in East-West trade for the first six months with imports up 4 per cent and exports up 1 per cent. This is a result of the Soviet Union's increase in imports from OECD of 8 per cent and its 2 per cent drop in exports. If this trend continues in the second half of the year, the institute calculates Moscow's trade deficit with the West will have increased by some 700m transferable roubles while the deficit of the other Comecon countries will have been reduced by 300m transferable roubles. The transferable rouble, which is the foreign trade accounting unit of Comecon, was worth \$1.36 last year.

For 1979 the institute foresees a modest increase in East-West trade but it says the medium range outlook is uncertain.

The institute says the statistical foreign trade information provided by Comecon countries remains highly erratic and in some cases is worsening. Soviet Union's 1977 foreign trade report no longer contains the quantities of grain imported and exported as in earlier years.

The West Berlin Institute says this practice contradicts the Helsinki declaration of 1975 which spoke of improving foreign trade statistics.

Comecon's total indebtedness to OECD countries rose above \$58bn last year of which the Soviet Union accounted for \$18bn and the six other Comecon countries \$32bn. Taking an average interest charge of 7 per cent, the institute says the Soviet Union paid interest amounting to \$1.3bn last year while the other Comecon countries paid \$2.2bn to service their debt. This is equal to 15 per cent and 22 per cent of their respective exports to the West.

The slowdown in East-West trade over the last two years has largely reflected the desire to cut down trade deficits with the West in view of the high and rising foreign debt position. This will remain a constraint but ambitious Soviet plans for exploiting offshore oil and gas and the overall need to modernise vital sectors throughout Comecon detailed in this volume indicate the kind of areas where Western businessmen can expect further business.

Comecon mid-plan report, published by the Financial Times Business Publishing Division, has just published a revised and expanded edition of the book "Comecon to 1980" by David Lascelles, the newspaper's former East Europe Correspondent, called "Comecon mid-plan report."

The original volume was designed to provide an easily digestible and comprehensive analysis and breakdown of the current round of five-year plans under one cover. The revised edition examines how performance has matched the plan at the half-way stage.

It also incorporates a much more detailed breakdown of the foreign trade aspects of the various plans in response to requests by purchasers of the first volume for a more precise guide to the sort of areas where trade prospects were brightest.

## Comecon mid-plan report

FINANCIAL TIMES REPORTER

## Concorde Mexico.



Concorde Mexico City. For the first time ever, you can take the new Paris-Mexico Concorde and arrive in Mexico City from Europe faster than by any other aircraft in the world. Only Air France offers you Mexico by supersonic Concorde. There are two flights a week, every Wednesday and Sunday, leaving Paris' Roissy-Charles de Gaulle at 8 pm and arriving in Mexico City at 8.40 pm, via Washington, D.C. Our Paris-Mexico route takes only 7 hours 40 minutes, as compared with the fastest subsonic flight, which takes 13 hours 30 minutes. You'll arrive in Mexico City relaxed, with the whole evening ahead of you.

There are convenient connecting flights from London and Manchester to Paris, and at the other end of your flight, there are also interesting connections to Central America. Take advantage of the most convenient Europe-Mexico flight ever, aboard Concorde. It's the newest addition to our growing Concorde network, now regularly serving New York, Washington, Caracas, Rio and Dakar.

Weeks Sun.	Schedules valid until 29th October
8 pm (local time)	Paris Ch. de Gaulle 10.35 pm (local time)
8.40 pm (local time)	Mexico City 8 am (local time)
	Thurs. Mon

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## HOME NEWS

Midlands  
venue for  
top textile  
exhibition

BY ARTHUR SMITH

ONE OF the largest trade shows in the world is to be staged at the National Exhibition Centre, Birmingham.

The International Exhibition of Textile Machinery, planned for 1983, could generate spending in this country by visitors and exhibitors of about £100m, according to the Centre.

Yesterday's announcement ends 12 months of negotiation by the Centre and the British Textile Machinery Association to capture this prestige international show.

Basle, Switzerland, was the main competitor for the exhibition which is held in Europe every four years. The decision was taken by Comatex, a committee of textile machinery manufacturers representing the national trade associations of Belgium, West Germany, France, the UK, Italy, the Netherlands and Switzerland.

**Largest**  
Mr. Terry Golding, chief executive of the Centre said that the announcement of the venue five years ahead of the event was a tribute to facilities in the Midlands.

The present 1m sq ft of exhibition space will have to be doubled with temporary buildings to accommodate the show which, Mr. Golding says, will be the largest ever staged in the UK.

**Sperry creates Bristol jobs**

By James McDonald  
SPERRY GYROSCOPE'S engineering design centre, opened in Bristol, yesterday, will create about 700 research and design engineer jobs over the next two to three years, in an area with 6.4 per cent unemployment.

The centre, in a 93,000 square feet office block — Temple Colston House, is leased by Sperry, part of Sperry Rand, of the U.S., specialising in navigational equipment.

Agreement on tariffs  
for Prestel system

BY JOHN LLOYD

PRESTEL, the Post Office's Viewdata service which will provide information through phone lines to home television screens, moved a step nearer yesterday when substantial agreement on tariffs was reached between the corporation and the Association of Viewdata Information Providers.

The agreement has still to be ratified by the Post Office Board, the Price Commission and the Post Office Users' National Council.

Although the Post Office refuses to give details of the tariff structure until the agreement has been cleared it is likely to be as follows:

• Users of Prestel will pay 2p per minute for the service, plus the cost of the phone call they make to call up the information required.

• Information providers will be charged by the Post Office on two different tariff structures: the "A" rate and the "B" rate.

• The "A" rate is designed for most of the providers, whose information needs to be updated frequently. They will pay a £4,000 a year service charge plus £4 a frame of information for a one-year contract, £3,000 a year plus £3 a frame for a three-year contract and £2,400 a year with £2.40 a frame for a five-year contract.

• The "B" rate is for more static information—as an encyclopedia—which needs only occasional updating. Information providers on this rating will be charged £1,000 a year service charge, plus £1 per frame.

In addition, "B" rate providers will have 0.5p per frame deducted from their revenue to cover the higher costs of access-

sing the material, which will need special warehouse storage.

The corporation will compute the cost of each call, and bill the users through the ordinary phone bill.

The Post Office will also pass on to the information providers the revenue they earn from the use of their information levying a 5 per cent charge in doing so.

While the information providers clearly regard the agreement as good, the Post Office yesterday was annoyed that the association had released news of an agreement which the corporation did not regard as finally concluded.

Next week, the Prestel test service will be greatly extended when the London computer centre starts operating, complementing the smaller unit at Martlesham which began the service.

Bilton  
quits as  
managing  
director

BY CHRISTINE MOIR

MR. PERCY BILTON, the octogenarian chairman of Percy Bilton Limited, the property development and housebuilding group, has relinquished his post of managing director to two long-serving directors. They are Mr. Alan Smith and Mr. Ron Groom, who will now share the job.

Mr. Bilton took over the executive reins of the company in December, 1976, when he sacked the former managing director, Mr. Bryn Turner. Mr. Bilton took over the company's housing division, which had been sold to Mr. Turner. Mr. Bilton had resigned, but at the annual meeting in June this year, Mr. Bilton broke an 18-month silence to reveal that he had fired Mr. Turner. Mr. Bilton said that "certain irregularities and wrong allocations" discovered in the company's housing division, Mr. Turner had been "sacked" and that any falsification of accounts on housing contracts could be attributed to him.

Since Mr. Bilton took over the job of managing director, a number of commentators have openly questioned whether the company's management needed strengthening. Yesterday's announcement is obviously intended to allay these fears.

Mr. Smith has been responsible for the group's development activities for a number of years and Mr. Groom has been in control of finance, administration and housing. Together the two men have more than 30 years' experience with the company.

In addition, Mr. Hugh Beeston, company secretary of Clerical, Medical and General Life Assurance, which has been associated in funding and joint schemes with Bilton for many years, has been appointed deputy chairman. He was appointed to the board in June this year.

Mr. Bilton remains as chairman. He has given no indication as to when he may retire, although he has nominated his son, Donald, as his successor.

Stocks of domestic  
coal running  
low, say merchants

BY JOHN LLOYD

COAL MERCHANTS say that at favourable rates. Their rise in their stocks of domestic coal will be implemented by November 1.

There is traditionally a sharp upswing in sales to coal merchants in the month before the increase is passed on. This year, it appears that the Coal Board is unable to meet that extra demand.

The collieries—which are individual accounting units—tend to favour industrial users paying the 15 per cent extra during the summer months. At a time when the electricity market is taking more coal than ever, and when the domestic market is rising, production has only risen slightly and shortages have become widespread.

The Coal Board said it recognised that a problem existed and it was taking steps to divert production into the domestic coal market, especially in the north. The EEC Commission said yesterday that the UK's coal industry was the least subsidised in the Community, by a massive amount. UK subsidies on a tonne of coal amount to 20p a tonne, compared with 55.60 a tonne in West Germany, 114.60 a tonne in France and 23.80 a tonne in Belgium.

Clocks and watches sell  
for total of £120,064

CLOCKS AND WATCHES at 19th and 20th centuries brought Christie's attracted the highest £33,910; the highest price, £800, prices in London's salerooms for a Lely portrait of Sir Daniel yesterday. The total was Harvey.

At £5,500 an ebony striking bracket clock by Joseph Raib of London went to Stender, a Dutch dealer, Bobinet of London was successful at £4,800 for a Brequet gold quarter-repeating ruby cylinder watch. Anonymous buyers paid £4,000 for an early 18th-century marquetry longcase clock and another Brequet, and £3,300 for a gold huntercase keyless lever watch by Lange und Sohne, Dresden.

Oriental ceramics through the same house made a total of £74,120. Neame paid £3,500 for a pair of baluster vases of the Ch'en Lung period. Arms and armour in the afternoon made £26,100.

**SALEROOM**  
BY PAMELA JUDGE

Silver though the same rooms made £85,558. Garrard gave £2,200 for a George II plain tapering cylindrical coffee pot on a rim foot, and T. Lumley bought a George II plain shaped square silver on four hoof feet for £1,700.

Furniture and other items sold at Christie's South Kensington made a total of £35,998. Forty-eight chairs sold in four lots went for £3,400 to Phillips and Howes. They are described as a set of 18th-century Gothic revival oak dining chairs.

Sotheby's put Old Masters up for auction to make £53,555. A Teniers was bought anonymously at £1,700, and Harley Fine Arts gave £1,350 for a still life by Fieravino. British and European paintings of the 19th.

Renault expects total truck sales in the UK in 1978 to reach nearly 500 units bearing the Berliet or Saviem badges and ranging from 7.5 tons to 36 tons. The new tractor unit is a 40-tonner but designed for UK operation at 32 tons.

Finvest  
'no secret  
for Board  
of Crown  
Agents'

By John Brennan

THE TRIBUNAL investigating the Crown Agents' £224m losses heard yesterday of the "conspicuously isolated responsibility" of the men at the top of the organisation.

Mr. John Rankin QC, representing former senior Crown Agent Sir Claude Hayes at the Tribunal, referred to a letter written by Sir Stephen Luke, Sir Claude's predecessor shortly before his retirement in 1968.

The letter noted that unlike a deputy secretary in a government department, the senior Crown Agent had no higher authority to consult. Sir Stephen had written "let the buck stop with me and everyone knows it."

Questioned by Mr. Rankin, Sir Stephen said that given the scope of the Crown Agents' often highly technical work, "I do not think that the senior Crown Agent could be expected to master the technical details."

Commenting on his letter of appointment in 1959, which authorised the senior Crown Agent to take decisions on any matter, Sir Stephen said: "Seeing it again now I am rather surprised at the terms in which it is set out."

He thought himself ultimately responsible to the Secretary of State and expressed surprise at the extent of the power delegated to the Agents' head.

**Informality**  
Sir Stephen explained the informality of control down the Crown Agents' management chain and confirmed that it was within the power of departmental heads to initiate new developments without reference to the board.

This informality did not, however, extend to the Crown Agents' first major foray into financial dealings on its own account.

Sir Stephen told the Tribunal that in 1966-67 the board was encouraging the finance department at the Crown Agents to produce more revenue to build up internal reserves and that by August 1968 the Agents were borrowing money to a ceiling of £50m.

Creation of an investment vehicle, Finvest, was part of this move and had been discussed in detail by the Board.

Commenting on the appointment of a representative in Australia, Sir Stephen rejected Mr. Rankin's suggestion that the move was intended to develop own-account investments there.

Summing up the day's evidence, Mr. Rankin said: "We have reached August 1968, the eve of Sir Claude Hayes' arrival as chairman, and the situation I think is this: The Crown Agents' Board was cognisant of the Finvest operation."

## New machinery

A. ARENSON, the wooden office and domestic furniture makers, has spent more than £800,000 on further automation to speed up production. The equipment is needed to meet the increased demand for grain printed furniture—mainly domestic units.

## Steel deliveries improve

FINANCIAL TIMES REPORTER

SIR CHARLES VILLIERS, chairman of the British Steel Corporation, has repeated the corporation's objective of breaking even by March 1980, and has spoken of "some marked improvements" in delivery and quality.

The corporation is conservatively estimated to be heading for a £175m loss in the first six months of the current financial year.

Sir Charles, writing in Steel News, the corporation's newspaper, mentions improvements in delivery from the Dalzell, Scunthorpe and Port Talbot mills.

The Steelworks Group and Light Products in Sheffield, BSC Tinsplate, Shelton, section mill and some of the tube businesses were "in the black" Scunthorpe and Cumbria works were "moving to break-even."

There was still widespread incidence of late delivery and incorrect documentation.

"Customers won't wait for ever. Nor will they for long tolerate bad service."

"There can be no real excuse for wrong invoices or incorrect labelling... what a way to finish a decent manufacturing job!"

"Despite improvements, BSC overall is still making immense

losses. I've got no help from the market for steel, which shows no improvement.

BSC has the objective of getting to a rate of break-even by March 1980—Government, Parliament, the public and all of us know this.

"The countdown to viability has begun and there is a long way to go, but this is the time when 'the losing has to stop'."

## Burroughs expansion plan

BY RAY PERMAN, SCOTTISH CORRESPONDENT

A £4m manufacturing plant is to be built in Scotland by Burroughs Machines, to expand its activities in the rapidly-growing market in Britain and Western Europe for data-processing equipment in banks.

The company is leasing a 14-acre site in Livingston New Town, West Lothian, a short distance from its existing plant at Cumbernauld, which has been developing a range of systems for banking.

The new factory is intended to take this work further and will not involve any reduction in employment or output from Cumbernauld.

It will provide 200 jobs, a quarter of them for employees at graduate or equivalent level, in research and development.

"It would have been a mini-Fitzborough," the fire was confined to 250 kg of magnesium and it was expected that the area would be safe by this morning.

There were no casualties but employees at the factories in Stratford, and the neighbouring area of Berk Spencer Acids were sent home.

## Explosion threat averted

WORKERS at two Albright and Wilson chemicals factories in East London were sent home yesterday after an explosion and fire. A solvent used in one of the processes was cyclo-hexane, which caused the Fitzborough disaster in June 1974, when 28 workers died.

The Fire Brigade said that if factory of Berk Spencer Acids were sent home.

## TV advertising guidelines tightened

BY ARTHUR SANDLES

NEW RULES for advertisers on commercial television place considerable restrictions on advertising for children's products, tighten up the regulations on alcohol salesmanship and slightly open the door in the controversial area of family planning.

In broad terms the new rules and guidelines set out by the Independent Broadcasting Authority make it harder for advertisers to appeal directly to children, or to suggest that drinking is a glamorous pastime.

The rules for children's advertising mean that commercials

inviting a response ("send 10p off now for a bumper issue of...") must not be aimed at children. Where they are directed at parents, they must not be shown before 9 pm.

There must be no unreasonable special effects which might suggest to a child that a toy can do more than it does. Children must not be encouraged to badger their parents to buy advertised products.

Programmes lasting less than half an hour and aimed at children must not be interrupted by advertising. At the moment the

restriction applies to programmes of 20 minutes or less.

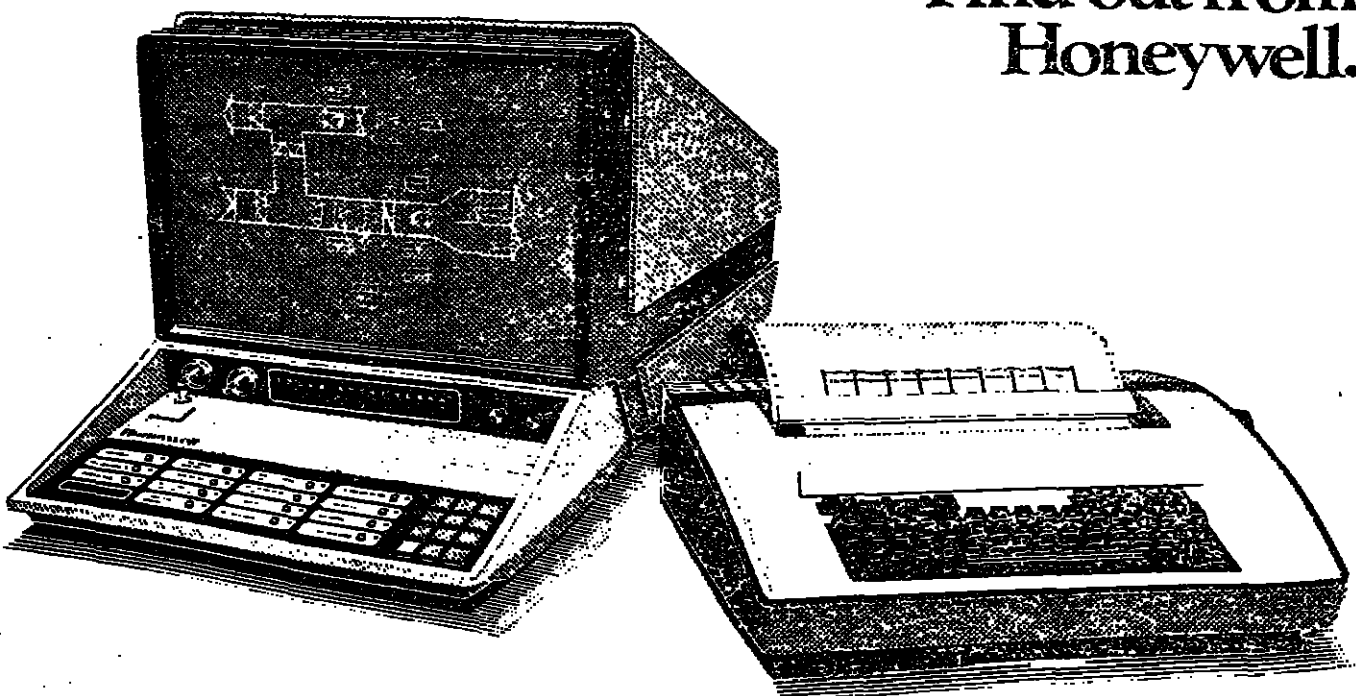
The much previewed new rules on alcohol advertising confirm the worst fears of the drink industry. Advertisers must avoid emphasis on the quantity of alcohol or drinking in any situation; people must not be seen buying rounds; regular solitary drinking is not to be featured; there must be no claims of therapeutic qualities out that advice should be taken only after a consultation with a doctor.

Explicit mention of sex outside the marital bed must be avoided.

masculinity, a pleasantly chauvinistic view which apparently allows drinking to be endowed with feminine qualities.

The new IBA thoughts on contraception are offered as guidelines rather than as rules. In future official and semi-official bodies will be able to place consumer-oriented than in the past. They must, however, point out that advice should be taken only after a consultation with a doctor.

Explicit mention of sex outside the marital bed must be avoided.

How much energy and money  
can you save in your building?Find out from  
Honeywell.

Everybody's talking about saving energy, but with one obvious omission. How much your building can actually save in hard cash.

Honeywell has developed a computer programme to analyse energy consumption in all types of large buildings, both old and new. Using this programme and drawing on the experience of installing energy management systems in many thousands of buildings, your Honeywell representative can show you your energy savings potential.

Once this potential is established, you'll find that

there are a variety of ways Honeywell can help you achieve these energy savings.

- The most basic way is by replacing or upgrading your automatic temperature controls.
- We can make your existing control systems more energy-efficient through a regular preventive maintenance programme.
- Your building may justify a central computer system such as the Honeywell-Delta 1000 that provides management disciplines according to your needs. Honeywell central control systems already have proven themselves in thousands of

buildings and when Delta is applied to energy management functions 20-30% reductions are common. Manpower savings can be even greater. Return on investment. Expect a fast 1 to 3-year payback. For details about the free computer analysis and how your potential energy savings can be realised write to or call:

Energy Management Group,  
Commercial Division,  
Honeywell Limited,  
Bracknell, Berkshire.  
Tel: Bracknell 24555

Honeywell



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The smaller business's biggest source  
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## HOME NEWS

## Ship trade faces 'period of attrition' into 1980s

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

THE SHIPPING industry is not on the verge of dramatic collapse, but faces a long period of attrition as the recession continues into the 1980s, a leading shipping banker said yesterday.

Mr. Roger Parsons, director of ship finance with Grindley Brands, told a conference sponsored by the Chartered Institute of Transport and the Financial Times, that the unfolding of the shipping crisis over five years had given banks time to foresee and plan for the difficulties of supporting their shipping clients.

The bankers' role would be in spread the industry's problems over a longer period by renegotiating loans, while owners played for time in the hope that markets would improve.

There was unlikely to be any substantial market recovery before 1982 and the total indebtedness of the industry had risen from the \$28bn estimated in mid-1976. About half this debt is believed to be guaranteed by governments.

The banks had been to blame for aspects of the crisis, by financing over speculative ventures and providing funds through widely spread syndicates.

This type of loan, although judged necessary by some because of the large capital sums involved in ship building, should not be encouraged because shipping loans required even in healthy markets, constant and complex adjustment which was difficult to achieve if too many parties were involved.

Where large amounts are involved, it is infinitely preferable to arrange credit through no more than three or four institutions with the necessary lending capacity and with prior experience of finance in this industry.

Bankers were being more careful about such matters as escalation clauses in ship charter contracts. They were also concerned to back companies which are well managed and own modern and diversified fleets.

"There can be little justification in providing support indefinitely for large, laid-up tankers."

There were bound to be fundamental changes in the industry, with more tonnage moving into the control of low-cost flags and greater influence from countries which control cargo allocation.

Mr. Roy Watts, director of finance and planning with British Airways, said that the airline industry would need to increase its operating margin from 4 per cent to about 10 per cent if it was to meet the tougher, more competitive conditions ahead.

In the next 10 years, the size of the market was expected to double and, allowing for economies to be made in higher load factors, airlines would have to find \$80bn at last year's prices to finance expansion and re-investment.

**Air traffic up 25.5%**

By Michael Donne, Aerospace Correspondent

AIR TRAFFIC between Britain and the U.S. in the first six months of this year was up by 25.5 per cent, according to the British Airports Authority.

Scheduled air traffic, boosted by the introduction of cheap fares, was up by 44.7 per cent, but charter traffic fell by 27.7 per cent.

During August, Heathrow handled 2.7m passengers, an 18.7 per cent increase on last year. Passengers at Gatwick rose by 21.5 per cent to just over 1m, and Stansted had 347,000, a 24.5 per cent increase.

For the 12 months to the end of August, there was nearly 42.7m passengers at the South-East airports, a rise of 7.5 per cent, while aircraft movements rose by 4.1 per cent to 351,800.

Passenger traffic at all the UK airports owned by the Authority reached nearly 37.2m over the 12 months, a rise of 7.4 per cent, with aircraft movements up 5.5 per cent at 478,000.

**CONTRACTS**

**£5½m housing development at Hackney**

Work has restarted on the first stage of a major GLC housing development at Broadway Market, Hackney, London, E8. A. J. SYMES CONSTRUCTION (a John Willmott Group company) has taken over the work on a re-negotiated contract worth £5½m following the failure of the original contractor. The development comprises 298 homes and two shops, on 17-acre site involving a mix of traditionally constructed one to four-bedroomed houses, extensive external works, such as roads, paths, play areas and gardens.

HONEYWELL INC. is to build in the U.S. what is believed to be the world's largest experimental latent heat thermal storage system. Plant will be constructed under a \$22.5m (£22.5m) contract at the Northern States Power Company Riverside generating station at Minneapolis, to demonstrate the feasibility of storing excess heat energy for use when required. It should be complete by the end of the year, with testing and evaluation continuing until August, 1979. Using high pressure steam from either the power station or solar

At present rates of return, airlines would be able to internally finance only half this requirement (compared with between 65 and 75 per cent now) and would consequently face problems meeting debt obligations from revenue generated.

In this situation, the industry would be forced to curtail expansion through shortage of loan capital.

But the need for wider margins happened at a time of de-regulation in the industry and when competition was getting stronger. Moreover, the growth prospects were in the lower, non-business end of the market, involving cheaper fares.

It was essential to improve load factors efficiency and productivity throughout the operation. Mr. James Duncan, chairman of the Transport Development Group, spoke in favour of maintaining the UK's liberal licensing system for road haulage—a system under review by the Foster Committee.

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## Agency plans more aid for small companies

By Ray Ferman, Scottish Correspondent

A STRATEGY is being prepared by the Scottish Development Agency for its investment in small businesses, which employ more than half the workforce of the border.

When it was formed three years ago, the agency took over the Small Industries Council for Rural Areas in Scotland and has expanded its activities. It has helped companies in urban areas and increased the aid limit to £50,000, or 80 per cent of the cost of any one project.

But the agency, which is the Scottish counterpart of the National Enterprise Board, wants to take the work of its small businesses division much further. A report from the strategic planning unit is going to the board for approval at its next meeting.

It is believed to call for more help on providing risk capital, particularly for businesses involved in advanced technology or entrepreneurs with ideas that need developing.

The agency also wants to extend its equity lending, which is now limited in the small company field. By 1981 it expects 15 per cent of lending to small businesses to be on equity terms.

It also wants to help groups of employees made redundant to start their own companies. So far, £12m has been lent to small businesses. But the number of loans approved each year is rising. Last year 68 projects received loans totalling £700,000. Next year the agency expects to be lending more than £1m.

**Sharp rise**

Mr. Edward Cunningham, director of the agency's strategic planning unit, told a conference in Glasgow yesterday that although the increase would be due to inflation, the number of individual loans would rise sharply this year and next.

Last year just over half the loans approved were for working capital, a reflection of the difficult economic circumstances. Only 30 per cent went towards buying new equipment and 17 per cent for workshop or factory expansion.

A survey showed that three-quarters of the small companies have led to the formation of a new business. The only help, most wanted, financial aid, but a large proportion needed management and marketing advice.

**Midlands doubt on prospects**

By Arthur Smith, Midlands Correspondent

DOUBTS about the optimistic prospects for the economy suggested in recent national surveys are expressed by the West Midlands Chambers of Commerce.

Results of a survey of Midlands companies published today show very little change in attitudes from the position three months ago. The only bright spot is a small improvement in the level of export deliveries.

The Chambers of Commerce report that, contrary to recent national surveys by the Confederation of British Industry and the Financial Times, the consumer spending boom has not yet had any real impact on the order books of local industry.

Only minor improvements are suggested by answers to questions about the local business activity, labour recruitment over the next three months, and investment in plant and machinery.

More than half the 300 respondents were confident that turnover would improve. The factors companies thought would be most likely to improve their business prospects were: higher productivity and a lower inflation rate.

The most expensive cars to keep on the roads are the Jaguar XJ range. Motoring Which? claims, the 3.4 model cost £86 a week—£21.50 for running costs including petrol, repairs, servicing, road tax and insurance—and £44.50 in capital loss.

The cheapest, probably because they depreciate less quickly, was the Fiat 126 which only cost £17 a week—£8.50 in running costs and £3.50 a week capital loss.

Emeco (GB), manufacturers of mining and tunnelling equipment, have ordered a fifth GIDDINGS AND LEWIS-EASER production line, bringing its total investment in Arbroath-built machines, since the first was installed 18 months ago, to more than £150,000. The Model A130 boring, milling and drilling machine now ordered will have a built-in facemill, further extending its work range.

SYSTEM FLOORS (UK) has recently been awarded contracts to the value of £230,000 for raised floors. The largest were for the South of Scotland Electricity Board's new computer centre in Glasgow, the new district office in Staines, for Southern Electricity, Churnside Telephone Exchange, Cork, for the Commissioners of Public Works in Ireland, and the Cardiff Colour Television Studios for the BBC.

Refrigeration equipment valued at almost £200,000 is being supplied and installed at the Birds Eye factory in Kirkby (Lancs), by GRAM REFRIGERATION (GB), Orpington, Kent. The contract includes all associated pipework, thermal insulation and electrical control panel and wiring for the

## Growth from 'lame ducks'

It is now nearly three years since the National Enterprise Board formally came into existence and began business under the chairmanship of Lord Ryder as a fairly muted version of the interventionist animal originally conceived by Labour Party policy makers.

Since November 20, 1975 as only INSAC but also UMEDCO yesterday's half-yearly results show, it has amassed a portfolio of 52 companies. Starting with the "lame duck" companies inherited from the Government (accompanying table), first under the chairmanship of Lord Ryder and then under his former deputy, Sir Leslie Murphy, who took over in August last year.

With a total Government budget of £1bn, the NEB's growth has been gradual. By the end of 1976 it had 13 companies with £500m assets and at the end of last year it had reached 33 companies and £1,132m assets.

At first glance its acquisitions with little rationale linking them. However, the NEB sees its business, concentrated mainly on manufacturing industry, in clear terms.

It explained in a new booklet yesterday that it is "particularly interested in proposals which contribute significantly to exports, import substitution, employment growth or advanced technology."

It also gives a pragmatic view and officials involved in advanced technology or entrepreneurs with ideas that need developing.

The agency also wants to extend its equity lending, which is now limited in the small company field. By 1981 it expects 15 per cent of lending to small businesses to be on equity terms.

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**Computers and electronics** is the clearly identifiable industrial area in the portfolio. The rest of the companies owned fall under more general headings. There are, for example, the export-orientated businesses—

Then there is a general aim to help small firms, especially in areas of high unemployment and where there is an export potential. This has led the NEB into a number of acquisitions ranging from Thwaites and Reed, clockmakers, to Aquilisa, builders merchant's business is planned in Jeddah to sell these have been built up (see accompanying table), first under the chairmanship of Lord Ryder and then under his former deputy, Sir Leslie Murphy, who took over in August last year.

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## NEWS ANALYSIS

## NATIONAL ENTERPRISE BOARD

BY JOHN ELLIOTT

base already exists, the NEB's normal policy is to provide share capital in a form which enables the existing shareholders to retain control. The NEB prefers not to buy out but to provide its money alongside that of the existing shareholders," the booklet says.

It also points out that arrangements can be made for shareholders to buy the NEB out at the end of a specified period.

While it prefers to take equity stakes, the NEB does make loans to its companies and by the end of last month it had outstanding loans totalling about £230m, ranging from £10m to BL and £22m to Rolls-Royce, down to £50,000 in companies such as Aquilisa, Hydraroll, Pakmet, and Thwaites and Reed.

The NEB operates within general financial criteria laid down by the Government which state that it should make a 15 to 20 per cent return on capital employed on all its investments taken together (apart from BL and Rolls-Royce which are treated separately) by 1980-81.

The NEB is run by a Board led by Sir Leslie as full-time chairman and Mr. Richard Morris who joined as full-time deputy chairman from Courtaulds.

Sir Leslie takes direct responsibility for the main "lame ducks" such as BL and Rolls-Royce while Mr. Morris has special responsibility for the regions (where he heads the two regional boards) and other strategic work and new acquisitions.

Then there are nine part-time board members—four industrialists, four union leaders and one management consultant.

There are 53 staff, about half of whom have clerical and other support jobs while the rest are executives recruited mainly

from industry who have experience in line management, accountancy, banking, and other fields. The day-to-day work is run by four divisional directors whose average age falls in the early 40s, beneath whom are other staff in their late 20s and 30s.

The varied background of the staff is illustrated by two of the divisional directors. One is Mr. David Dunbar, who runs the division embracing all the electronics and computer interests, including INMOS and Ferranti. He is an accountant who, after various jobs in different companies, became Lord Ryder's personal assistant at Reed International and then moved with Lord Ryder when the NEB was set up.

The other is Mr. John Murray, a former Financial Times journalist, who joined the NEB from Williams and Glyn's Bank, having also worked for other companies.

Each of the divisional directors has about six executive staff, but the work of the NEB has not yet developed sufficiently for all the companies to be categorised neatly into divisions.

**Support staff**

There are eight other posts at the same level in the NEB hierarchy as the divisional directors. Two of these are the regional directors in Newcastle and Liverpool who have a staff of four or five each.

In London there is also a finance director, a planning director, a director of information, and the Board's secretary who, as a career civil servant on secondment from Whitehall, is in charge of the regular contacts between the Board and Government Departments.

The final two posts are the heads of the support staff for BL and Rolls-Royce, each of whom has a staff of one executive and one secretary.

The job of all these staff is to monitor their companies' progress and to give advice where necessary, especially when management changes are considered necessary. They also look for new acquisitions and investment opportunities.

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## THE BOARD'S PORTFOLIO

COMPANY	BUSINESS	PRESENT NEB HOLDING OF SHARES %	COST £,000	DATE ACQUIRED
SHAREHOLDINGS ACQUIRED FROM THE GOVERNMENT				
SUBSIDIARY COMPANIES:				
BL (British Leyland)	automotive products	98.9	695,523	February 1976
Cambridge Instruments	scientific and medical instruments	79.7 (voting)	5,820	
		100 (non voting)	500	February 1976
Ferranti	mechanical, electrical and electronic engineering	50 (voting)	4,000	
		100 (non voting)	2,467	February 1976
Herbert	machine tools	100	36,196	February 1976
Rolls-Royce	acro-engines	100	203,000	February 1976
ASSOCIATED COMPANIES:				
Brown-Boveri Kent	Industrial instruments	20	3,293	March 1976
Dunford & Elliott	steel manufacturers	Sold April 1978		February 1976
ICL	computers	24.4	12,134	February 1976
SHAREHOLDINGS ACQUIRED UNDER THE CHAIRMANSHIP OF LORD RYDER				
SUBSIDIARY COMPANIES:				
Data Recording Instruments	computer peripherals	63.1 (ord.)	3,777	July 1976
		100.0 (cum. red. conv. pref.)	1,000	
INSAC Data Systems	computer products and services	100	1,450	March 1977
Keland Electronics	electrical transformers	100	100	February 1977
Mollart Engineering	precision engineering	70.6	382	April 1977
Sinclair Radionics	micro electronics	73.3 (ord. and cum. part pref.)	1,500	November 1976
		100 (non vtg. cum. red. pref.)	477	
Thwaites & Reed	clockmakers	100	477	May 1977
UMEDCO	medical instruments	55	250	March 1977
ASSOCIATED COMPANIES:				
Agemaspark	spark erosion machines	30 (ord.)	100	September 1976
		100 (cum. red. pref.)	50	
Aqualisa Products	shower heads	40 (ord.)	4	March 1977
		100 (cum. red. pref.)	45	
British Tanners Products	tanning	50	2,000	May 1977
R R Chapman (Sub-Sea-Surveys)	unmanned submarines	47.2	50	January 1977
Computer Analysts & Programmers (Holdings)	computer software systems	29.9	549	April 1977
Hydraroll	vehicle loading equipment	48.9 (ord.)	5	June 1977
		100 (cum. red. part pref.)	60	
Pakmet International	packaging machinery	34.4 (ord.)	47	April 1977
		100 (cum. conv. red. part pref.)	200	
Syntax	computer hardware and software	28.1	538	July 1977
Twintek	office equipment	33.3	997	September 1976
Pitcraft	mining machinery	Sold July 1978		July 1977
Reed & Smith	paper manufacturers	Sold December 1977		November 1976
OTHER INVESTMENTS:				
*Francis Shaw	process machinery	100 (preferred ord.)	546	May 1977
SHAREHOLDINGS ACQUIRED UNDER THE CHAIRMANSHIP OF SIR LESLIE MURPHY				
SUBSIDIARY COMPANIES:				
Fairley Holdings	engineering	100	18,000	January 1978
INMOS	micro electronics	47.3	92	August 1978
		100 (preferred ord.)	250	
Systems Programming Holdings	computer services	30 (voting)	600	October 1977
		100 (non-voting)	500	
Bull Motors	variable speed electric motors	100	500	October 1977
United Medical Enterprises of UMEDCO	medical equipment exporters	70	5,774	March 1978
ASSOCIATED COMPANIES:				
Automation & Technical Services	communications equipment	30 (ord.)	50	April 1978
		100 (part cum. red. pref.)	700	
Computer & Systems Engineering	communications equipment	49.5 (ord.)	882	June 1978
		3.0 (cum. red. conv. pref.)	48	
Hivent	air pollution control equipment	NEB put into liquidation in March 1978		
J & P Engineering	electronic and mechanical engineering	33.2	100	July 1978
Mayflower Packaging	packaging machinery	33.2 (cum. red. part pref.)	60	December 1977
		100 (cum. red. pref.)	60	
North East Audio	audio equipment	49.2 (ord.)	99	October 1977
		100 (cum. red. part pref.)	340	
Power Dynamics	tube bending machinery	33.3 (ord.)	60	February 1978
		100 (cum. red. part pref.)	120	
Sandiacre Electronics	control system engineers	30 (ord.)	40	September 1977
		100 (cum. red. part pref.)	125	
Systems Designers International	computer software systems	26	184	January 1978
Negretti & Zambra	process control equipment	29.8 (deferred ord.)	710	September 1978
		50 (red. conv. pref.)	461	
Powdrive PSR	power transmission systems	40 (ord.)		September 1978
		100 (cum. red. part pref.)	270	
		100 (cum. red. pref.)		
Energy Equipment	power systems engineers and contractors	100 (cum. red. conv. pref.)	75	September 1978
		=42.9 ord. voting		
		100 (cum. red. part pref.)	100	
		100 (cum. red. pref.)	125	
†Newtown Securities (Northern)	small firms financing	50 (ord.)	125	
OTHER INVESTMENTS:				
Barrow Hepburn	chemical engineering merchanting	4.7	450	February 1978
BTB (Engineering)	specialised vehicles	50 (cum. red. part conv. pref.)	30	August 1978
*Hemmings Plastics	pharmaceuticals plastics	100	100	August 1977
*Hird-Brown	photo-electric controls	100	250	April 1978
†YCoort of London	sports equipment	100	140	March 1978
INVESTMENTS NOT YET FINALISED				
Manotype Corporation	printing equipment	37.5 (ord.)	250	
		(conv. loans)	3,250	
†Ferranti Resin	impregnated tubes, glass fibre tanks, etc.	49	294	
Logica	software office systems	20 to 30	no details	



**Grants and Incentives**

The whole of Wales is an assisted area. Which means that by moving or expanding into Wales you could benefit from the wide range of Government incentives available.

Wales also has the advantage of being the closest assisted area to London and the Midlands and is therefore very close to 250 million Community customers. So you won't lose tabs on important markets by moving.

**Investment Services**

In addition, we at the Welsh Development Agency can provide finance in the form of loans and/or equity capital to help you establish in Wales.

**Factories**

We have a wide range of fully serviced factories ready for immediate occupation throughout Wales.

Ranging from 1500sq.ft. to 50,000sq.ft.

They are let at competitive rents and in certain areas there are rent free concessions.

Or, if you prefer we can build a factory to your requirements.

**Communications**

Getting to and from Wales has never been easier.

Rail links serve all parts of Wales, connecting with the North, the Midlands and the South East. The Inter-City 125

passenger service has shortened the journey from Cardiff to London to under 2 hours. Fast streamlined transit is provided by Freightliner services, while Speedlink offers an overnight freight service to most parts of Britain and Europe.

Much is being done to upgrade and improve the roads throughout Wales. The M4 reaches into South West Wales providing a direct route for the passage of goods to the London area and the Midlands.

Cardiff Wales Airport is now the regional airport of the South West. And, having the benefit of the interport removal centre, fast and efficient through movement of goods is ensured.

Well-equipped Welsh ports handle a large percentage of Britain's imports and exports.

**Companies already in Wales**

Perhaps the best incentive of all for moving to Wales is the experience of the companies who have made the move already.

Remember for instance the huge expansion plans of Ford and Hoover currently under way.

Many other companies have also found that moving to Wales has proved successful. So you certainly won't be alone in deciding on Wales.

**Advice**

We can advise you on the many Government incentives available.

We can advise you how best to set about meeting your workforce needs.

We can advise you on the areas that will suit you best in terms of availability of factories and closeness to markets.

And if you'd like to know more about the advantages of Wales, take our advice: post the coupon.

**Welsh Development Agency**

To: The Welsh Development Agency,  
Treforest Industrial Estate, Pontypridd,  
Mid Glamorgan CF37 5UT.  
Tel: Treforest (044 385) 2666. Telex: 497516.  
Please send me more details on:  
Agency Investment ☐ Factories Available ☐  
Re-Location Advice ☐

Name \_\_\_\_\_

Position \_\_\_\_\_

Nature of Business \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Tel: \_\_\_\_\_

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# What sort of carrot will it take to persuade you to move to Wales?



## HOME NEWS

## Hunterston third nuclear power plant considered

By Our Glasgow Correspondent

A THIRD nuclear power station is being considered by the South of Scotland Electricity Board for the Hunterston peninsula in the Strathclyde region.

The board, which is about to start work on its £750m advanced gas-cooled nuclear station at Torness, in the Lothians region, is also considering building a new coal-fired station when existing plant becomes obsolete.

These developments, coupled with present plans for the North of Scotland Hydro-Electric Board for a 1,500 MW pumped storage station at the North End of Loch Lomond, are intended to meet an expected increase in demand well into the 1980s.

Final decisions on whether the Hunterston "C" station and a new coal-fired station go ahead will depend on demand, load and the performance of the national economy through to the early 1980s.

## Capacity

The Electricity Board wanted to build a third Hunterston station, to join the existing "A" and "B" AGR units generating a total of 1,550 MW, for some years but has not been able to find a suitable site because of the British Steel Corporation's long-term plans for a big integrated steelworks on the peninsula.

The latter project has been ruled out for the foreseeable future and the Board has started talks to find a possible site for a fourth nuclear station. Initially, its installed capacity would probably be of 1,200 MW with room for further expansion.

The board will also have to decide whether to continue with the Hunterston "A" station, which is the newer pressurised water reactor.

It is likely to be next decade before any decision is made on building a new coal-fired station, and that will partly depend on the output and pricing of the National Coal Board's Scottish area.

## Radiation link with cancer dismissed

By John Lloyd

A CONTROVERSIAL U.S. study on the dangerous side-effects of radiation on workers at atomic plants is largely dismissed today in a report by the National Radiological Protection Board.

The Board's report comes as fears over radiation levels have been heightened by the discovery in August of plutonium dust contamination of 12 workers at the Atomic Weapons Research Centre at Aldermaston, Berkshire.

Sir Edward Poulton, an authority on radiobiology and consultant to the Board, is conducting an inquiry into the Aldermaston contamination levels. His findings are expected shortly.

The U.S. study—known as the Mancuso report—after its principal author, Dr T. Mancuso, was published last November.

It claimed to show a strong link between low levels of exposure to radiation and certain cancers.

The findings implied that radiation caused these cancers at rates between 20 and 100 times higher than suggested by the International Commission on Radiological Protection.

This caused widespread alarm. Dr J. A. Reissland of the Radiological Protection Board, however, concludes that the Mancuso study greatly overestimates the dangers of radiation as a cancer-causing agent.

He adds that there is no evidence to support the claim that the International Commission's rates are underestimates.

Dr. Reissland further claims that when the Mancuso study's data are adjusted against recent death rates and the rising number of cancers in the U.S., most of the links between radiation and cancer claimed by the study disappear.

However, the cancer of the pancreas and the bone marrow disease, multiple myeloma, remain "with a statistically significant excess."

## Europe urged to heed managers' voice

EUROPEAN COMMUNITY institutions should listen more to professional managers when framing their policies, Mr. Michael Shanks told the British Institute of Management council dinner last night.

Mr. Shanks, former director-general of Social Affairs on the EEC Commission, told the Institute that the European Community should be seeking ways to create conditions in which management performance was optimised.

"If the European community may be better to pay small amounts to claimants who do not have economic value and a need than to achieve a better quality of life, the quality of European management must be raised," he said.

He pointed out that the Community had not recognised the voice of professional management as valid.

Professional management, he said, had views and interests which were separate and distinct from those of owners and unions.

## Whitehall criticised over computer deals

BY ROBERT CORNWELL, LOBBY STAFF

WHITEHALL was taken severely to task yesterday for the sloppy financial controls it applied when operating a preferential purchasing policy in buying untested and unproven international computer equipment for the Ministry of Defence.

The case, which was investigated at length by the influential Public Accounts Committee of MPs from all parties, involves the procurement in 1972 of ICL 2900 computer systems, which subsequently ran into long delays and substantial cost overruns.

The Committee, which acts as Parliament's watchdog, over-riding Whitehall Department, expresses astonishment in its latest report, issued yesterday, that Ministers were not presented with a full picture of the state involved with the ICL equipment before instructing that the project be continued.

Mr. Edward du Cann, the chairman, made clear last night that he had no quarrel with the preferential purchasing policy itself, which was vital to secure a sound British computer industry, but it came as a shock to us that Ministers were not properly briefed before acting.

Final tests of the equipment, which apparently is now working properly, were not completed until June last year, compared with the original deadline of April, 1976, laid down in the contract with ICL. The Defence Ministry estimated that the total extra cost exceeded £10m.

This figure was not endorsed by the Civil Service Department's Central Computer Agency (CCA) in charge of monitoring the ICL contract, on the grounds that such costs could not be costed properly.

The committee's report says: "We consider that it was a negation of sound administration for the CCA to shut its eyes to the financial effect of every element of delay, thereby depriving Ministers of the opportunity of seeing as full a picture as possible."

Moreover, the preconditions of satisfactory price, performance and delivery, attached to the preferential policy, were intended to be a protection against excessive extra costs.

"We hope that in future CCA will be able to operate this policy without Ministers having to override its qualifying conditions."

The Department of Industry is also urged to take a tougher line about repayment of Government aid to ICL, now that the company has become more successful.

The assistance, amounting to about £40m, was provided between 1972 and 1976 on the understanding that it would be repaid, if possible, out of profits between 1977-78 and 1983-84. If interest charges are included, full repayment would require about £80m from ICL.

The committee is "disturbed" that in spite of ICL's successful sales record, the Department believes that the company is unable to meet its aid repayment forecasts for 1977-78 and 1978-79.

"We trust it will not hesitate to seek early renegotiation of the terms if total repayments seem likely to fall materially short."

Mr. Edward du Cann, Chairman of the Committee, said that the committee's investigation also revealed a significant weakness in the procedure for distributing grants. This stemmed from the use of outdated rent income assessments, leading to an over-payment of grants.

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This figure was not endorsed by the Civil Service Department's Central Computer Agency (CCA) in charge of monitoring the ICL contract, on the grounds that such costs could not be costed properly.

The committee's report says: "We consider that it was a negation of sound administration for the CCA to shut its eyes to the financial effect of every element of delay, thereby depriving Ministers of the opportunity of seeing as full a picture as possible."

Moreover, the preconditions of satisfactory price, performance and delivery, attached to the preferential policy, were intended to be a protection against excessive extra costs.

"We hope that in future CCA will be able to operate this policy without Ministers having to override its qualifying conditions."

The Department of Industry is also urged to take a tougher line about repayment of Government aid to ICL, now that the company has become more successful.

The assistance, amounting to about £40m, was provided between 1972 and 1976 on the understanding that it would be repaid, if possible, out of profits between 1977-78 and 1983-84. If interest charges are included, full repayment would require about £80m from ICL.

The committee is "disturbed" that in spite of ICL's successful sales record, the Department believes that the company is unable to meet its aid repayment forecasts for 1977-78 and 1978-79.

"We trust it will not hesitate to seek early renegotiation of the terms if total repayments seem likely to fall materially short."

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MR. GEOFFREY CHANDLER  
Better understanding wanted

## National consensus on pay proposed

By John Elliott, Industrial Editor

A PLAN to develop a new national consensus on pay and other economic issues through debates staged in the National Economic Development Council was launched last night by Mr. Geoffrey Chandler.

The council's new director-general, Mr. Chandler proposed that the council should be used to build a "framework of understanding" about pay rises by "harmonising" rather than by simply engaging in a series of individual battles.

He said that differing views about economic and social priorities could find "a wide measure of agreement if the issues are discussed in a national debate rather than being left to be decided only on individual battlegrounds."

Mr. Chandler's remarks came at a specially significant time because of the continued dispute and the Labour Party conference's rejection of the Government's current pay limits. But he does not envisage his ideas being adopted as an immediate action, and they are not on the agenda for the next regular meeting of the council on Monday.

Mr. Chandler's ideas do fit in with the policies of both the Conservative Party and the Confederation of British Industry, both of which want the sort of long-term pay reforms, proposed by the Confederation.

Trade union leaders may be less keen on a public forum which could appear to interfere with ordinary pay bargaining, but they are not on the agenda for the next regular meeting of the council on Monday.

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LABOUR NEWS  
Toolmakers plan skilled workers' unofficial link

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL CARs toolmakers have taken the first step towards joining forces with other craft workers in pursuit of improved pay for skilled men.

They agreed in Birmingham yesterday to set up a joint four-man committee with another unofficial body which claims to represent skilled men, such as electricians and millwrights.

Both unofficial bodies will retain their independence, but will seek ways of co-ordinating policy and action. Together, they claim 14,000 supporters.

The new joint craft committee is seeking a meeting with the company to discuss the problem of skilled men. Progress on this seems unlikely, since management has refused resolutely to talk to unofficial bodies and insists that pay must be negotiated centrally.

However, yesterday's move could give the unofficial toolmakers the extra impetus to back one of the threatened industrial actions. The men's leaders, under the chairmanship of Mr. Roy Fraser, meet on Saturday.

Before them will be a recommendation for industrial action in the event of failure by the national executive of the Amalgamated Union of Engineering Workers to support an unofficial strike by 32 toolmakers at SU Fuel Systems.

The SU workers, now in the ninth week of their strike, will be pressing for support from the 3,000 toolmakers, who staged a damaging four-week strike last year.

However, against the background of mounting labour unrest, the toolmakers' leaders may delay action in the hope of finding a more opportune moment.

It was not clear, after yesterday's meeting, how much support other craft workers might offer to the toolmakers in the event of a strike. Mr. Mick Walker, secretary of the craft committee, said it was impossible to forecast how his supporters would respond. Support might involve industrial action, or it could be merely financial or moral.

Mr. Fraser said that the problem at BL was one for all skilled men, and it was essential for the company to sit round the table and discuss the issues. "If they are not prepared to do that, it could ultimately lead to conflict," he said.

Mr. Douglas Miller, shop stewards convenor, said the time limit on negotiations arose from the workers' frustration at the outcome of last year's pay talks. These lasted five months and a subsequent productivity deal has only just been concluded, although it was rejected by the workers yesterday.

Mr. William Dillon, managing director of the Rank Hovis MacDougall Sunblest bakery in Scotland has withdrawn recognition from shop stewards representing 15 van salesmen whose lightning strike this week has forced the dumping of 180,000 loaves worth £50,000.

Mr. Dillon said he would deal only with full-time union officials or other elected representatives of the men, who were not behind 37 walk-outs in the past five days.

The salesmen, members of the Transport and General Workers' Union, are demanding a 1.5 per cent flat rate commission on sales, which the company says would add £100,000 to the annual wage bill.

A six-week strike by maintenance engineers at two U.S.-owned Devro sausage skin factories near Glasgow has postponed an expansion plan which would provide 60 new jobs.

The dispute has already led to 500 workers being laid off at the Redbank and Mossburn plants. Talks through ACAS to settle the strike over the engineers' claim for wage parity with electricians, have failed to reach agreement.

They argue that the chief officers received no more than senior civil servants under Phase Three—the only difference being that the civil servants' rise was incorporated in a total 10 per cent pay rise, while the chief officers' settlement appeared as a single award for one group.

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# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOFERS

## SAFETY

### Overload protection for cranes

ASEA, the Swedish-based manufacturer of electrical equipment, is introducing a new electronic overload protection for cranes. It is designed both to prevent overloading of cranes and to protect them against excessive overturning forces.

When the load of the crane exceeds the safe working load, the relay in the protection trips. This switching over of the relay can be used to stop all hoisting motions or motions which may increase the overturning forces. The overload protection for cranes embodies an application of ASEA's Pressductor force transducer.

An important aspect of the overload protection is the ease with which the measuring body can be installed. It can be fitted to all types of crane.

The unit consists of a cylindrical transducer, which is inserted into a hole drilled in the centre of the shaft of the rope sheave. It is positioned below the centre line of the applied load. After the transducer has been connected to the electrical equipment via a junction box, the overload protection is ready for test loading and trimming.

ASEA, Villiers House, 41 Strand, WC2N 5JX. 01-830 5411.

hour and will label flat products with a thickness of up to 2.0 mm. Labelling accuracy is said to be within plus or minus 1.5 mm.

Upwards of 1,250 labels can be applied within an hour with the Computab which is also designed to handle medium-run mail-outs. This is offered particularly for users requiring postal charge rebates from the Post Office and will accept single- or multiple-width labels up to a maximum of 400 mm.

## PROCESSING

### Seeks the blemishes

LASER-BASED, a scanning system which automatically detects and records the number of blemishes in a moving web of photographic pulp has been installed by AB Iggesund Bruk of Sweden at its Stromsbruk sulphite mill.

It is almost impossible to detect such imperfections by eye in moving pulp at production speed, and the new system, believed to be the first of its kind, will enable Iggesund to apply much higher standards of quality control in its photographic pulps, and also to offer a range of attested and "tailored" quality grades to meet customers' individual requirements.

The system makes use of a helium/neon laser which produces a thin pencil of light which is scanned transversely across the upper surface of the moving web by a rotating prism. The light penetrating the web is detected by a receiver containing two photomultipliers. Any blemish in the pulp produces a decrease in light intensity which shows up as an electronic pulse.

Spots are graded into three size ranges (assessed by the number of times the scanning beam strikes the same spot), and at the end of the reel, a digital printer prints out the total number of spots in each size range together with date and time. Aural and visual alarms are given if the total number of spots, or the size of an individual spot, exceeds preset (and adjustable) limits.

AB Iggesund Bruk, S-825 00 Iggesund, Sweden.

## IN THE OFFICE

### Speeds up the mail

TWO SYSTEMS aimed at expediting bulk mailing shots have been developed by Avery Label Systems, Gardner Road, Maidenhead, Berks.

A fully automatic labelling machine, called Tabmailer, is for labelling envelopes, circulars and flat products, such as advertising material, publications, punchcards, tabcards and timecards. Intended for in-house mailing, it has a capacity of 8,000 labels per

## RETAILING



One of the first ICL 9500 point-of-sale terminals makes its debut

### ICL looks after the store

IF THE predictions made by many bankers, including Gordon Hague, head of Lloyds Bank computer services, are correct, point of sale equipment will play an increasingly important role in retailing and banking over the next few years. By end-1985, it is anticipated, a large number of UK stores will have moved over to it.

It follows that, to stay in the picture, computer builders should have a point of sale equipment stock. But this is true only for IBM, NCR and ICL.

The latter yesterday launched a complete new series of equipment for the retail trade, carrying on from the units originally developed by Singer and sold in the U.S. and Europe, which ICL continued to support after its acquisition of the bulk of the Singer data processing operation two years ago.

That ICL means business is implicit in the extent of the new equipment which embraces new terminals; cartridge recorders; readers for Kimball tags; merchandise tickets and OCR

printer and cash drawers as an option.

The 9510 is intended for use with a system controller but has ability to work with a cartridge recorder for data storage. The 9512 is a unit designed primarily for cash collection and is provided with 32 programmable accumulators to allow users easily to obtain audit control data, flash totals and sales analyses.

This unit too can work with a system controller.

Controllers are based either on developments of the earlier 1500 or on System 10. They can handle from 24 to as many as 160 terminals.

First orders are already in the pipeline from companies all over Europe as well as in Canada and Australia. Manufacturing of the new equipment is under way at Uxbridge in the U.S., with the biggest of the controllers to be built at Letchworth and Kidsgrove in the UK.

More from ICL on 01-788 7272.

ICL House, Putney, London SW15.

## MACHINE TOOLS

### Precision round a bend

TO ACHIEVE a high degree of precision in reproducing the bending angle and a minimised angle deflection along the bend edge of a profile, the Swiss machinery manufacturer Hämmerle AG of Zolingen has developed a new sheet-metal processing method: the three-point bending system.

Unlike conventional machines, three-point bending presses which are available with cam program or numerical control use three supporting points for the material in the mould, and a segmented die. This die system comprises parts of a standard length up to 100 mm and intermediate pieces for the range from 50 to 95 mm with steps from 5 to 5 mm, enabling it to adapt to any die length for parts bent on four sides.

Over the whole length of the machine, the die system is supported by a continuous hydro pad which provides uniform pressure distribution, thus preventing local upsetting of the material being machined and ensuring a reproducible precision of bending angle of plus or minus 15 minutes.

The hydro pad enables simple or multiple bends to be performed precisely at one stroke without any resetting of ram depth or of the curve.

The patented bottom die has an adjustable mould base, so that any desired number of bend angles may be produced in one groove. The groove depth setting is done by means of a key system in the mould support, being operated manually, by program cams, or numerical control.

Hämmerle AG, CH-4800 Zolingen, Switzerland. Telex 68 125.

## HANDLING

### Moves linen and refuse

HYGIENE in hospitals is, of course, of paramount importance, and a constant hazard is the risk of cross infection. The dangers exist not only in garbage removal but also in the laundry room and wherever soiled linen is handled.

Now there is an electronically programmed fireproof linen and refuse disposal chute system designed to prevent overloading and transference of infection.

It will be shown for the first time at the Middle East Construction Exhibition in Dubai, October-November this year, and has been developed by Hardall, a subsidiary of the international Percy Lane Group.

Capable of taking refuse and linen bags up to 610 mm by 457 mm diameter, the patented electronically controlled entry points can be programmed for the sequential discharge of drum contents into the central chute shaft. An interlocking device prevents shaft blockage by ensuring that only one drum dis-

charges at a time.

Individual entry points can be isolated from the system for loading, or maintenance, and then programmed to automatically resume their place in the cycle, when the system is free and preceding units have completed their discharge cycles.

The programming system can be set so that entries with high utilisation can be given priority over lesser used entries on other floors. Up to 30 entries can be loaded and locked into the logic control system to automatically resume their position in the overall discharge cycle of the complete system.

The entry point drums and control panels are finished in polished stainless steel and have sealed rotating drums to minimise the escape of contaminated air. A pressure sensitive lip will reverse rotation of the drum bin at the slightest touch so that the operator enjoys complete safety. Hardall is at Wingate Road, Luton, Beds., (0582 52451).

## LIGHTING

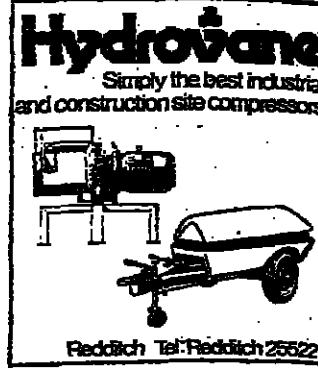
### Sees them coming

LIGHTING A large display window does not come cheap. But one way of reducing the cost of illuminating goods on show when the window shoppers are few and far between is to use a shopper-detector invented in France.

Based on simple radar technology, the unit will sense the approach of a stroller and switch on the spot or fluorescent lights as long as he/she is anywhere in front of the shop window. As Gamma is at 22, Market Place, Wokingham, Berks. 0734 792384, soon as the passer-by walks

beyond the displays, the main lighting is again switched off. The same idea is being applied to activating a recorded publicity single when an unsuspecting wanderer comes within earshot, and to tripping a TV scanner for more serious purposes.

The unit clearly has a use in security and safety systems. Cie Francaise de Detection et d'Automatisme Radar, 15 rue des Peules Feuilles, 79116 Paris, France.



## RESEARCH

### Life under power lines

ACCORDING TO the Battelle Memorial Institute some concern is being voiced in the U.S. about the environmental effects of overhead power transmission at ultra high voltages.

At 1.2 megavolts a transmission line has a power capacity six times that of a 500 kilovolt line and the power losses of the line are only about one-fifth—a result of the smaller currents carried.

To try to discover the effects, if any, of the electric fields surrounding the conductors on plant and animal life, a number of laboratory and field experiments are being carried out: one study involves a full scale 1200 kV line on a 53-acre site at Lyons, Oregon, sponsored by Bonneville Power Administration. The Battelle researchers will look at the effects on cattle, bees, birds, mammals and trees, as well as crops.

At another site in Richland, Washington, pigs are to be exposed to 30 kV/metre—about three times the electric stress that humans would encounter while standing under existing high voltage lines in North America. More from Battelle Pacific Northwest Laboratories, P.O. Box 998, Richland, Washington 99352.

## PRINTING

### Stitches at high speed

AN AMERICAN rotogravure printer is said to have increased his production of finished products by about 25 per cent by replacing former stitching equipment with a high-speed stitcher from Ingol AB, Ekbacksvägen 40, S-161 30 Bromma, Sweden.

The Ingol machine performs "stitch" collecting in single-width/single-round, single-width/double-round and double-width/double-round press configurations, and can be fitted both to existing rotary folders and to the market's fastest gravure and web offset presses.

The company says that more than a hundred European and American newspaper plants and publication printers have ordered its high-speed stitchers for both new and existing press installations.

### COST EFFECTIVE PRODUCTION

Rivet setting, automatic parts feeding and assembly, net weighing machines—all make an essential contribution to efficient production. For this cost saving equipment, wise executives turn to one source of supply—the members of the BE Group. Are you keeping pace in these competitive times?

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Group Head Office: Bifurcated Engineering Ltd., P.O. Box 2, Maidenhead Road, Aylesbury, Bucks HP21 8AQ. Tel: Aylesbury (0296) 5911. Telex: 83210.

### Alders goes in for a big network

QUICK OFF the mark to try out the point of sale terminals by ICL is Alders Department Stores, part of the UDS group, which is to have more than 500 of the 9500 series terminals, control system and associated linked in this instance in a network of 15 Gamma Olympic processors based on the DEC LSI-11.

One of the reasons for the decision to go for a mixed site

is the existing installation of a stores network based on a DEC 1137, also provided by Gamma, which is installed at Hackbridge. The new control computers will go in at Alders stores at Croydon, Clapham Junction, Bayswater and Bromley.

Gamma is at 22, Market Place, Wokingham, Berks. 0734 792384, soon as the passer-by walks

### electrical wire & cable?

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## A FINANCIAL TIMES SURVEY

# OFFICE EQUIPMENT

OCTOBER 23 1978

The Financial Times proposes to publish a survey on Office Equipment. The provisional editorial synopsis is set out below.

**INTRODUCTION** The impact of electronics and the general transfer of employment away from factories can be expected to lead to increased investment in the office. Trends and prospects.

**THE EQUIPMENT MARKET** Its size and breakdown in the UK and Europe, comparisons with the U.S.; the role of multinational companies.

**EXPORTS** Prospects for improving the UK's share of world trade in the growing electronic sector of the market.

**LARGE COMPUTER SYSTEMS** These are having an increasing impact on offices because of data links between offices and the distribution of machine intelligence within offices.

**SMALL COMPUTERS** These can provide a package deal for first time buyers or for departments within a larger organisation.

**PERIPHERAL EQUIPMENT** Disc storage, units printers and display units are all showing rapid improvements in performance and are generally becoming cheaper.

**WORD PROCESSING** Equipment and automatic typewriters are becoming more and more accepted in Europe. The products and productivity gains.

**DICTATION EQUIPMENT** Often seen as complementary to automatic typewriters. Product developments and new uses.

**TYPEWRITERS** The change from manual to automatic machines continues. Meanwhile research continues in the substitution of electronics for moving parts. Future trends.

**ELECTRONIC MAIL** Still more important in theory than in practice, but could bring a radical change in the procedures in many offices. Implications for telex.

**FACSIMILE TRANSMISSION** Still at a relatively early stage of development, although transmission times are being greatly reduced.

The search for standardisation of equipment and the future market.

**PRIVATE TELEPHONE EQUIPMENT** Transformed by the introduction of a new generation of fully digital electronic exchanges. The market for other types of equipment like answering and metering devices is also growing.

**ELECTROSTATIC COPYING** This brought about one of the greatest single changes in office practice. A large variety of competing equipment is now available including copier duplicators, convenience copiers and "smart" copiers linked to computers.

**DUPLICATING AND OFFSET LITHO** Such machines have become more flexible and easier to operate. New uses.

**ACCOUNTING MACHINES** The trend towards fully electronic machines continues, although a substantial market for mechanical machines persists. Prospects for point of sale terminals.

**CALCULATORS** Electronic machines with a print head have now established their place in the office. Integrated circuitry is allowing manufacturers to compete in the provision of extra features. The more expensive office calculators are beginning to have the capability of small computers.

**MICROFILM** A method of storage for office documents and drawing office plans. Links with computers and new equipment.

**LEASING** A convenient way for smaller companies to acquire computers, telephone exchanges and other office equipment.

**OFFICE ENVIRONMENT** The demands of the law and changing standards of comfort, air conditioning, heating, furniture and other equipment.

**AMENITIES AND SERVICES** Becoming increasingly important in the modern office: vending machines, canteen equipment and other services for staff.

For details about advertising rates please contact Robert Murrell, Financial Times, Bracken House, 10 Cannon Street, London EC4A 4BY. Tel. 01-248 3000 Ext. 246.

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The content and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.





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Please write or telephone for an application form to Kathryn M. Riley Morgan Guaranty Trust Company of New York, P.O. Box 161.33 Lombard Street, London EC3P 3BH. Telephone: 01-555 3111 ext. 2747.

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## Portfolio Management

A leading City merchant bank with a large and expanding investment business wishes to recruit an additional member for its investment management team and is looking for a young man or woman, aged 25-30, with several years investment experience, gained in an investment management organisation, or a stockbrokers office.

It is essential that the successful candidate has a reasonable knowledge of all aspects of investment, including some security administration. An accountancy, economics or statistical qualification would be an advantage, but not essential.

Applicants should write giving details of age and past experience, stating the names of any organisations to whom the application should not be forwarded.

J.D. Vine, Account Director (CRS/65)

Lockyer, Bradshaw & Wilson Limited,

North West House,

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He/she will be required to develop business with Professional Advisers (Accountants, Solicitors, Stockbrokers, Insurance Brokers) in the North and Midlands and will ideally be based near Manchester. This will involve not only marketing a range of Investment Services but also advising on their suitability for individual investors.

The applicant should have an understanding and experience of both investment and marketing.

The remuneration package will include a Company car, profit sharing and other benefits totalling £7-10,000 depending on experience.

Please apply to J D Bourne at  
SCHLESINGER TRUST MANAGERS LIMITED  
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## FINANCIAL DIRECTOR & COMPANY SECRETARY DESIGNATE

The Company is a major manufacturing subsidiary within the Readicut Group with turnover around £20 million. Expansion is taking place in the U.K. and on the continent and further developments are contained in the business plan.

The appointment is responsible to the Managing Director for providing a professional financial service, for ensuring management colleagues have the control information and guidance necessary to maintain and improve the Company's operating efficiency, and for fulfilling the duties of Company Secretary.

Candidates must be Chartered Accountants, preferably aged 35-50, with extensive experience in a manufacturing environment showing profitable growth based on sound financial control. A good knowledge of French would be an advantage. The successful candidate is unlikely to be earning less than £9,000 p.a. now.

This is a senior appointment within the Group and both the initial and subsequent salary and benefits package will reflect this.

Please submit a full resume of your career, or write/telephone for an application form to the:

Group Personnel Manager  
Readicut International Ltd.  
Horbury, Wakefield, West Yorkshire, WF4 6HD  
(0924) 275241 (Ext. 5)

## READICUT INTERNATIONAL

## N.Y.S.E. MEMBER FIRM

Exciting opportunity in International Sales, to be based in small, well established London Representative office, for young (25-35) person willing to spend some time in New York to become familiar with the firm's investment portfolio approach and research products. Write Box A6498, Financial Times, 10, Cannon Street, EC4P 4BY.

## ASSISTANT/POTENTIAL SUCCESSOR TO MANAGING DIRECTOR

Leading Lloyd's Underwriting Agency

### Accountancy Background

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You need to have a very good accountancy background, preferably as a CA and in financial services, with above average management and administrative ability. Excellent personality and communication skills are all important to the strong rapport with Names which underlies the company style.

You will assume early responsibility for Syndicate accounts. Thereafter, you will be groomed in all aspects of the business. A clear progression to Managing Director is foreseen in the medium term, following real demonstrated success in the post.

Your name will not be released until we have briefed you and you have given your consent. Please send a summary covering employment history, achievements, present remuneration and age and stating how you meet the requirements of the post to:

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A management consultancy  
specialising in recruitment and  
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**BDC**

Leading international maritime transportation company in Rotterdam is currently expanding its administrative staff and seeks qualified applicants for the following positions:

### A. SENIOR FINANCIAL ANALYST

Reporting to the Manager European Financial Analysis and Reporting, he will be responsible for the review, approval, assembly and input of accounting entries, analysis of financial accounts and cost reports, providing a continuing analysis of financial account activity, the review and assembly of cost and revenue reports, and assist in budget preparation and variance explanation.

- \* Nationality EEC national, preferably British
- \* Languages: fluent spoken and written English, another language would be desirable
- \* Age around 35
- \* A recognised accounting qualification preferred, or a university graduate with financial management experience
- \* Two to five years' analytical/accounting experience preferably in an international environment
- \* Moderate travel and willing to consider later relocation
- \* Proven management skills and problem-solving ability

### B. FINANCIAL ANALYST

Reporting to the Manager European Financial Analysis and Reporting, working under the direction of a Senior Financial Analyst; performing essentially the same function as listed in position A, in less complex areas.

The profile is similar to position A, except that age should be around 30 and only one to three years' relevant experience.

In addition to technical competence, candidates should be dynamic, but diplomatic, ambitious and willing to play an active "hands-on" role. There are excellent prospects for advancement.

The salary will match experience and achievement.

If you are interested in either of these posts, please send your resume with salary requirements to:

Ref. FT 01 AB  
William Greenway, Partner  
Whitney Murray Ernst & Ernst  
Avenue Louise 523 Bte 30  
B-1050 Brussels, Belgium

## Executive career Development Manager

Hong Kong

c. £22,000

The client is a highly successful international bank which operates in 37 countries in the Far and Middle East, Europe, North & South America and Australasia, employing 19,000 staff of whom 1,200 are executives. This new appointment has been created to provide a consistent, structured approach to executive career development. The key duties of the successful candidate will be: to develop short, medium and long term executive manpower forecasts; to plan the development of officers' careers; to develop, co-ordinate and monitor career review and appraisal systems.

Candidates, ideally aged 35-45 years, should be graduates (or equivalent e.g. MIPM) and have at least 3 years' management experience in a comparable role. A personnel management background within an international organisation and experience working overseas (particularly in the Middle or Far East) is desirable whilst banking exposure

will be distinctly advantageous. The post is based in Hong Kong and involves considerable international travel. An initial 2-year married status contract is envisaged with opportunities for a permanent appointment at the end of that period. The excellent salary will be supplemented by attractive benefits including an annual bonus, free accommodation, annual holiday flights to the UK, assistance with school fees and six weeks annual holiday.

PA Personnel Services Ref: AA57/6588/FT  
Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

### PA Personnel Services

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## ACCOUNTANT/ Company Secretary

c. £7,000 p.a.

Infoline is a new company offering computer-based information services for science and industry, in international markets. With operations starting towards the end of 1978, turnover is budgeted to exceed £1 million within three years. The Accountant/Company Secretary will be a key member of Infoline's small, enthusiastic and highly-qualified team, and will be involved in all aspects of the running of the company, from the design and operation of routine accounting and administrative procedures, to advising the Board on legal and financial affairs. This appointment will appeal to a recently

qualified accountant or chartered secretary who would welcome the challenge of an unusually wide area of responsibility and the opportunity to grow with a new organisation. Salary will reflect experience and ability and other benefits are those associated with a larger organisation.

For further details and an informal discussion, about the company and the post, call David Martin, General Manager, on 01-836 1876, or write to him at Infoline Ltd., Esherham House, Lancaster Place, London, WC2E 7EN.

INFO LINE

## Investment Manager

### PENSION FUND

Marley has administered its own Pension Fund for staff employees for many years and we have recently introduced a second self-administered scheme for factory employees.

Investment of our pension funds totalling £12 million is managed outside the company. It is intended to broaden the overall management of these fast growing funds by the appointment of an Investment Manager. Initially he or she will start a new portfolio with a cash flow of £½ million in the first year and additionally take a general interest in monitoring the investment of all the funds.

A sound practical knowledge of pension fund investment is essential. Possibly this experience will have been gained in a number two position where the applicant is now ready to take his/her own investment initiative within the general policy of the trustees. It is unlikely that anyone under age 28 will have sufficient experience.

A competitive salary will be paid plus pension scheme, life insurance and other benefits in accordance with the best industrial practice.

Please write giving qualifications, full career details and salary progression to:

The Staff Executive,  
Marley Tile Company Limited,  
P.O. Box 32, Sevenoaks, Kent.

**MARLEY**

## MANAGER-Business Development

International Finance House, Sal. c£9000

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This is an interesting marketing opportunity involving visits to clients overseas, in order to analyse their business requirements and then structure a service to meet their demands.

We are seeking a young executive in his or her late twenties to early thirties, who is fluent in French, can represent this group at senior levels, relate to the needs of the clients' businesses and appreciate the importance of discretion, style and overall maturity required of the position. Clearly, financial knowledge relating to overseas trade is valuable but this appointment will be made as much on personal qualities as on career background.

The successful candidate will be offered a negotiable salary of c. £9,000 and in addition will receive other executive benefits.

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Application form and job description available from the Personnel Department, The National Hospital, Queen Square, London WC1N 3BG. Tel. 337 3611, ext. 65. Closing date: 20th October, 1978.

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Graduate in Economics/for Acct. for minimum 2 years, with air-conditioned accommodation. Advancing on expenditure, budgets policy and conference.

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THE PERFECT VACANCY may not exist but we will do our utmost to find it for you. Please send your resume to: The Perfect Vacancy, 11, St. James's Place, London, W1N 8AB.

GROUP, Financial & Accounting Division, 6, Leys Avenue, London, E.C.3.



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If you would like to arrange an exploratory meeting, please write with brief personal and career details, marked private and confidential, to:

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- \* accounting and management information systems design
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Starting salaries will be in the range £8,000 to £9,500, dependent upon experience, but the potential is over £12,000 and additional benefits include profit sharing.

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This new position offers excellent prospects both within the company and the group and a wide range of attractive benefits.

Applications giving full details of age, qualifications, experience and present salary should be sent to Box A.6501, Financial Times, 10, Cannon Street, EC4P 4BY.

Quilter Hilton Goodison

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ANALYSTS**

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Arising from an internal promotion we now have a vacancy for an analyst with a degree or equivalent qualification and at least two years experience of investment analysis gained either in another firm of stockbrokers or in an institution. The successful candidate will be required to undertake research in several sectors of the market on a regular basis and should have the ability to write concise reports to support his recommendations.

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An attractive salary and excellent staff benefits will be offered to the successful applicants.

Please apply in confidence to R. B. Blaxland  
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Please write, giving brief details, or telephone for more information and an application form, to Tony Bristow, Recruitment Advisor, Sun Alliance Insurance Group, 1 Bartholomew Lane, London EC2N 2AB. Tel: 01-588 2345, ext. 1225.

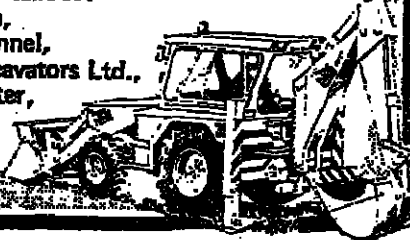
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Director of Personnel,  
J.C. Bamford Excavators Ltd.,  
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AT LEAST £10,000

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Contracting up to £14,000 + car

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Preferred age 35-45. Salary up to £14,000. company car, excellent benefits and relocation expenses, if appropriate, to the London area.

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

Ref: K7928/FT

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The personnel consultancy dealing exclusively with the banking profession

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Due to expansion of its loan portfolio an international bank has a new vacancy in its Loans Administration department. Candidates should be aged early to mid 20's, and must have the following experience:—

1. Liaison with senior lending officers, foreign exchange dealers, agent banks and borrowers concerning drawdowns, rollovers, funding requirements, and interest/fee collection.
2. Management reporting of loan portfolio exposure etc.
3. Loan documentation. Candidates should be fully conversant with Eurodollar syndicated loan agreements and other legal documents, any experience drafting such documents would be advantageous.
4. Internal credit control and administration procedures.

The successful candidate will enjoy a competitive salary and usual fringe benefits, in addition to excellent career prospects.

Please contact: ROY WEBB

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We have been requested by a number of banks to seek young people, 23-28, who upon graduating from university within the past few years, joined a joint stock bank but now find that advancement is blocked. The positions include Trainee Credit Analyst, Corporate Finance Trainee, and an entry into international lending. A business oriented degree, and knowledge of another European language, would be an added advantage.

Please contact: RICHARD MEREDITH

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This vacancy, with a North American banking and financial institution, calls for a person with experience in a bank, insurance company, building society, or solicitor's office. Candidates should be aged 20-26, and must have dealt personally with the documentation and procedure associated with mortgage applications.

Please contact: NORMA GIVEN

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Designate**

Up to £10,000 + car

Central London

Our clients are well established in the marketing and distribution of electronic components in the U.K. and Scandinavia, are achieving a 30% sales growth per annum and are a major subsidiary of a publicly quoted electronics Group. They offer an attractive opportunity to an ACA/CA, aged up to 35, to replace the present Financial Director who is assuming general management responsibilities. In addition to the control of the

financial function the successful candidate will have responsibilities in other administrative areas. It is imperative that candidates should have sound cash flow forecasting and foreign exchange experience, are familiar with computerised systems and, ideally, will have worked in a trading environment. In addition to normal benefits, there is a generous bonus scheme and subsidised daily travel.

Applications in confidence quoting Ref. 6291 to E. A. C. Griffin, Mervyn Hughes Group, 2/3 Curstow Street, London EC4A 1NE/Tel: 01-404 5801.

**Mervyn Hughes Group**

Management Recruitment Consultants



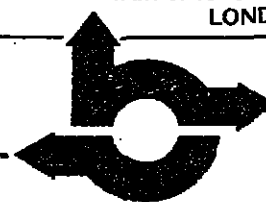
## Corporate Auditors - Europe

London base, £7,500 to £10,000 + bonus

These are opportunities to join one of the world's largest and most successful corporations in the records, music, publishing and consumer goods industries. The European audit department is developing to support this success, and promotional prospects within the corporation are exceptional. These openings result from internal promotions to line responsibilities in group companies. Key tasks are financial audits and evaluations of accounting and operational systems and procedures and the senior of the successful candidates will assume certain managerial responsibilities. Overseas travel will be expected and company benefits are excellent. Preference will be given to qualified accountants between 25 and 30 with reasonable proficiency in two European foreign languages.

G.E. Forester, Ref: 18155/FT

Male or female candidates should telephone in confidence for a Personal History Form to:  
LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ.



## Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LLEDS, LONDON, MANCHESTER, NEWCASTLE, and SHEFFIELD.

## YOUNG A.C.A. WITH SPECIALIST E.D.P. EXPERIENCE

Hampshire

Emoluments neg. to £9,000

Our client, an autonomous subsidiary of a major banking group, has recently invested heavily in acquiring advanced hardware to service both their operational and finance functions.

The company now plans to recruit a young accountant to monitor and contribute to the design and implementation of its new systems, which will use database technology and will have significant real time content.

Candidates, male/female, will be qualified accountants who have had experience with a large professional office and have a specific knowledge of computer based systems.

Probably in their mid/late 20's, they must be able to communicate effectively with staff and management at all levels and possess the self motivation to work independently.

The appointment attracts the usual fringe benefits associated with a large company and full relocation expenses will be paid by the company if necessary.

For further information concerning this appointment and a personal history form please contact

Nigel V. Smith, A.C.A., quoting reference 2244.

Commercial Division

Douglas Macmillan Associates Ltd.  
Accountancy & Management Recruitment Consultants  
410, Strand, London WC2R 0EX. Tel: 01-436 9501  
121 St Vincent Street, Glasgow G2 2HW. Tel: 041-226 3101  
3, Colston Place, Edinburgh ED3 7AA. Tel: 031-226 7744



## ISLAMIC DEVELOPMENT BANK

Jeddah

Salary Scales \$US 20,000 to \$US 43,000

The flourishing Islamic Development Bank, an international organisation, is wishing to augment its staff to meet expanding business needs. Working in multi-disciplinary teams, using Arabic, English and French languages engaged on the appraisal of wide ranging products, the requirement is for the following:-

### Financial Analyst (Ref 165)

With in-depth experience of the development and analysis of financial information using programming methods and sensitivity testing. Qualifications should include a university degree in Economics with an M.B.A. or equivalent.

### Project Economist (Ref 166)

With in-depth experience in the preparation of feasibility studies, cost benefit analysis and project evaluation. Qualifications should include a university degree in Economics or a closely allied subject.

Candidates should possess a minimum of 10 years experience in an appropriate financial, banking, or investment organisation. Knowledge of more than one of the languages used is preferred and preference will be given to nationals of member countries.

In addition to a generous salary other benefits include free furnished accommodation, free travel for annual home leave, dependants allowance, educational assistance, free health care, life insurance cover, contributory pension scheme, and resettlement and transport allowances.

Applications should be sent in confidence, quoting the appropriate reference number, to:-

R. J. Batten, The Whitehead Consulting Group,  
21 Wigmore Street, London W1H 9LA.



## WHITEHEAD

## Chief Executive

Engineering and Contracting

In the last eight years, this heavy engineering and contracting company, part of a large group, has boosted its sales to around £4m; has produced impressive profits; has become a world leader in some aspects of its business, with exports accounting for around 50% of turnover, and has moved to a new site which provides ample opportunity for further expansion. Internal promotion has created the vacancy for a Chief Executive who can build upon this sound base, accelerate growth and maximise business potential. The post calls for engineering qualifications and background, experience of controlling machinery, fabrication and assembly operations in a process plant environment, as well as proven contract negotiating and contract management expertise, preferably on an

international scale. Candidates, aged 35-50, should also have a success record in selling the chemical, mining or effluent treatment industries. Salary is negotiable around £12,500 together with a performance related bonus, an executive class car and the usual fringe benefits. Assistance will be given towards costs of removal to the North Midlands.

PA Personnel Services Ref: GM33 8584/FT

The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

### PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



## Managing Director

FORD MAIN DEALERSHIP

LONDON

Fm's of Lewisham is a leading Ford Main Dealership situated in the south of London and is part of the Elbar Industrial Limited Group of Companies. The vacancy which exists for the post of Managing Director is of key importance within the Group Management structure. Applicants for this position will have a proven background of general management within the Motor Trade, preferably but not necessarily within a Ford Main Dealership.

The person appointed to this position will have the ability to work with and co-ordinate a strong and experienced Management Team.

This is a senior appointment with excellent prospects and offers a unique opportunity for a general manager or managing director to further their career within a progressive, highly successful, profit orientated group operation.

It is anticipated that the successful candidate will be between 35-50 years of age. The salary, in recognition of the key nature of this appointment, will be generous and the position will carry the usual benefits commensurate with this seniority.

All applications will be treated in strictest confidence.

Apply in writing with details of present position and past experience, salary, etc. to:-

The Group Managing Director, Elbar Industrial Limited, 6 John Street, London W1N 2ES.



## Group Management & Financial Controller

Salary negotiable from £12,000 + profit sharing + generous benefits.

- Dynamic private group, T.O. £35 million, active in building, property development and manufacturing.
- Reporting to group M.D. as part of a small central team. Career appointment with real development potential. West London offices.
- Main responsibilities: assisting with definition of corporate trading objectives and strategy, establishing criteria for assessment of trading companies performance and forward plans, financial planning, evaluation and negotiations for possible acquisitions and disposals.
- Aged about 35. Chartered or Certified Accountant. 5 years minimum industrial-commercial experience with multi-national or multi-activity concern. Practical business outlook.

Please call for detailed job outline. Enquiries will be treated in strict confidence. 01-572 7533.

M. J. Foran, Personnel Director,  
Lesser Group of Companies,  
Lesser Building,  
Staines Road, Hounslow, Middx.



## LESSER

THE LESSER GROUP OF COMPANIES

## Young Analyst of outstanding calibre

Our client is a major organisation in the investment management field who requires someone of outstanding calibre and energy to occupy a key position in their equity investment team. To be eligible you must be in your mid-twenties with a degree or recent professional qualification. About two years investment or industrial experience is needed. You should be literate, ready to innovate and question all problems and processes. A competitive salary will be paid depending on your experience and capabilities. Certain fringe benefits are also available, and are of unusual interest. Please write to Ivan Cann, Foster Turner & Benson, Chancery House, Chancery Lane, London WC2A 10U, enclosing a detailed C.V., marking your letter FT 5/10 and listing any companies to whom you do not wish your application forwarded.

Foster Turner & Benson  
Recruitment Advertising

## Udisco Brokers Limited

require

EURO CURRENCY BROKERS

This company of domestic and international money brokers are seeking experienced Euro currency Brokers to join an established and expanding team.

Salary and fringe benefits subject to negotiation.

Please apply in confidence to:

The Managing Director, Udisco Brokers Limited,  
78-80 Cornhill, London EC3V 3NH

## TRAINEE ACCOUNTANT

LONDON

to £4500 according to experience

Tioxide International Limited, with a sales turnover of £140m and factories throughout the world, is a world leader in the manufacture and marketing of titanium pigments. Titanium pigments have very wide applications: in paints, printing inks, flooring, plastics, paper fibres, vitreous enamels and cosmetics.

We require a young person with the ambition and potential to become a qualified Accountant, to join the recently restructured Group Financial Department in a pleasant part of the West End close to Green Park tube station.

If you are 20-25 years old, with at least one year's experience in an industrial or professional accountant's office, and are qualified to at least 'O' level (preferably 'A' level) this post could provide you with an excellent career opportunity. Reporting to the Group Management Accountant you will assist in a wide variety of work from financial planning, project appraisals, development of computer usage, and all related aspects of capital expenditure assessment.

The Company operates a competitive salary policy and the excellent conditions of service include a non-contributory pension and life assurance scheme, luncheon vouchers and season ticket loans.

Applications should be addressed to:

Alan Murdoch, Personnel Officer, Tioxide International Limited,  
10 Stratton Street, London, W1A 4XP. Telephone No. 01-499 6070

## Tioxide

white pigments for industry

## Chief Accountant

City

£7,000-£7,500 + car

The business travel and freight forwarding subsidiary of a major group with international interests is seeking a Chief Accountant. Reporting to the Group Chief Accountant, the man or woman appointed will be competent to manage an Accounts Department concerned with budgetary controls, financial forecasting, the preparation of management accounts and credit control.

A qualified Accountant, probably in the age range 27-35 years, will find that this appointment offers an excellent opportunity to broaden his/her accounting skills and to gain general management experience.

In addition to the salary in the range indicated above, the position offers a car, discretionary bonus and other substantial benefits.

Please write with adequate particulars to Diana M. Ashman, Personnel Services Division of:



Spicer and Pegler Management Consultants,  
1 Bevis Marks,  
London EC3A 7HL.

## COMMODITY FINANCE

MEDIUM-SIZED E. COAST U.S. BANK

c. £9,000

The Bank, albeit not one of the giants, is nevertheless very well established and represented in London and around the world and is very actively expanding both its volume and range of international banking services.

The Job: to play a decisive role in the development, analysis and administration of the Bank's Commodity Financing activities in London, dealing with existing and potential merchant clients both here and abroad.

The Successful Candidate: will essentially need to combine sound analytical and lending skills (with emphasis on short-term) with a clear aptitude for business development; a knowledge of the London Commodity markets and merchants would be a decided asset.

This is a challenging career opportunity offering ample scope for personal development, together with commensurate remuneration.

To discuss this opportunity in detail, please telephone John Chiverton, A.I.S.

JOHN CHIVERTON ASSOCIATES LTD.

31, SOUTHAMPTON ROW,  
LONDON, W.C.1.  
01-242-5841

## ANALYSIS OF ENGINEERING COMPANIES

£6-9000 +

Our client seeks a man or woman who combines an intimate knowledge of the Engineering scene with analytical ability. They are well-known London Stockbrokers and the job will involve visits to companies, conversations at board level and report writing. You need have no practical knowledge of stockbroking, but the ability to read a balance sheet and an understanding of industry is paramount.

Aged 30-35 you will like working on your own initiative and will be looking for a salary of around £6-9000 plus a very considerable bonus. The job will appeal either to a Marketing/Financial analyst or alternatively to an ex-Senior Executive who wishes to make a second career. Replies in strict confidence to Colin Barry at Overton Shirley and Berry (Management Consultants), 17 Hollywell Row, London, EC2J.



## Under 30 ACA? GET TO GRIPS WITH EUROPE! Southampton Based to £9,000

With a European turnover in excess of £80m, our client is a subsidiary of a U.S. multi-national Chemical Corporation.

Due to recent expansion and acquisitions, they now need to appoint an ACA under 30 with experience of U.S. accounting ideally with languages to work alongside the European Controller.

This new appointment will involve travelling throughout their European Companies, designing and implementing accounting systems and procedures in addition to being responsible for all accounting and treasury information for U.S. and European Management.

This role will be particularly attractive to a young ACA seeking to develop a career in the world of international accounting and finance.

The fringe benefits are excellent and include full re-location expenses where applicable. For further details, please telephone or write quoting Ref. 1534.

**Lloyd Chapman  
Associates**

125, New Bond Street, London W1Y 0HR 01-499 7761

## International Auditor

c. £7,000 + car

As a result of internal promotion there is a vacancy within the professional Internal Audit Department of an international finance company based in South London.

The position requires a qualified accountant, ideally aged 25-30, with auditing experience either in a professional practice or an internal audit department, with the ability to communicate effectively, both verbally and in writing, and the willingness to travel within Europe up to 30% of the time. A good working knowledge of French would be a distinct advantage.

The company offers a competitive salary and fringe benefits include a pension scheme, company car and a subsidised mortgage scheme.

Ref: S3734/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

## PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE Tel: 01-235 6060 Fax: 27874



A member of PA International

## OPERATIONAL AUDITOR FRANCE

ACA—c. F100,000

A new appointment within a US Multi-National Corporation with extensive European developments based on Paris.

You will aid the development of systems and management control operations and recruit and train local staff.

Salary and career prospects are excellent if you have ambition and are of age 26/27. French and German will be an advantage but language courses and relocation costs will be provided.

For an initial interview call Robert Miles on 01-248 6321.

**Personnel Resources Limited**

Recruitment Consultants

## Management Accountant/ Operations Manager

to £10,000

Our client, a leading member of all London Commodity markets, seeks an Operations Manager.

The position requires a Management Accountant, aged 28-35, with some years experience in commodities and good knowledge of all related computerized systems, documentation, foreign exchange, etc.

The successful applicant will be totally responsible for all back office procedure and accounting functions, reporting directly to the Managing Director.

Please contact F. J. Stephens who will treat all enquiries in the strictest confidence.

**Stephens Selection**

36 Dover Street, London W1X 3RA. 01-494 0617

Recruitment Consultants

## Letraset International Young Qualified Accountant

c. £7000

Letraset International's record of achievement has been significant; latest results give a £7.4 million profit before tax on turnover of £33.8 million. The company is geared to support significant long term growth.

The appointment will appeal to a qualified Accountant, aged 25 to 30, who is seeking a career opportunity with a growth company. The position takes responsibility for providing effective management control information through the design and development of financial systems, the preparation of management accounts and the co-ordination of the budget programme.

For further information contact Gerry Cassell on 01-484 2131 or write with curriculum vitae to: New Appointments Group, Personnel & Selection Consultants, 505 Chesham House, 150 Regent Street, London W1R 5FA.

New Appointments Group  
Personnel Consultants



## Financial Controller

Freight Forwarding  
London SW3, £10,000 - £15,000

Our client, a young and dynamic European-based freight-forwarding company, has a turnover of £10 million, and operations in the Middle East. They have now reached a state of growth which demands the skills of a Financial Controller.

The ideal candidate will be aged 28 - 32, a qualified accountant with proven commercial experience. A knowledge of freight forwarding and currencies would be particularly useful. The fringe benefits are excellent and flexible.

Mrs Indira Brown, Ref: 19127/FT

Male or female candidates should telephone in confidence for a Personal History Form to: LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ.

**Hoggett Bowers**  
Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, and SHEFFIELD.

## Assistant to V.P. Middle East

One of the world's leading executive recruiting consulting firms, headquartered in New York, seeks an outstanding individual aged 24-28 to work in London with the Vice-President in charge of the firm's rapidly expanding Middle East practice.

Responsibilities will include preparation of detailed background work for client meetings, writing internal memoranda and external communications, internal liaison monitoring of statistical information, some responsibilities with branch offices, and some travel to the Middle East.

We seek an individual with a keen interest in the Middle East, a basic knowledge of Arabic, and a willingness to learn the executive search business. The ideal candidate will be a leader who is quick, personable, conscientious, and has financial acumen and a strong academic and extra-curricula record at a major university.

A degree from a leading business school would be a distinct advantage.

Good personal characteristics, the desire for exceptional reward and an understanding of team spirit and hard work are essential.

An attractive compensation package, consisting of salary, bonus and other fringe benefits is offered.

Please reply with full career details in strictest confidence to:

Box 2171, Gould & Partners Ltd., Caroline House, 55/57 High Holborn, London WC1.

## European Financial Director

CONSUMER PRODUCTS - LONDON

Age: c 30 £11,000 + car

★ Our client handles European marketing operations for a famous company known for its consumer products. Sales are through distributors in each country co-ordinated by regional marketing directors based in the Knightsbridge offices.

★ This new appointment is for an additional senior member of the team who can contribute an imaginative financial and numerical approach to the marketing of consumer products. Responsibilities include maintaining internal accounts as well as monitoring and interpreting data from distributors and the company's headquarters in such a way as to influence corporate policy.

★ It is an unusual opportunity for a qualified accountant. There will be ample opportunity to widen the scope of the job and contribute to the general management of an expanding world-wide company.

★ Candidates should have knowledge of Europe and are likely to be aged around 30. An MBA would be useful, as well as relevant commercial or industrial background, preferably in consumer goods. Willing to travel.

★ If you are interested—or know someone who might be—call 01-580 4907 for further information. Or post a C.V. with the reference SDO. Any contact will be confidential.

JSP Selection, 7-8 Market Place, London W1N 7AG.

Telephone: 01-580 4907.

Division of John Stark & Partners,

International Management Consultants.

## Overseas Controller

London W.1. c. £10,000 + car + bonus.

A very successful North American book publisher seeks to appoint a Controller for its overseas operations. The post is a total modern controllership, plus some treasury exposure, acquisitions and considerable liaison with overseas subsidiaries excluding volume accounting and line supervising burdens.

Candidates should ideally be Chartered Accountants with first class professional experience and prior exposure to the constructive controllership techniques of better public or multi-national groups. The slim U.K. and subsidiary company staffing demands a "self-starter," aged say 28-34, although someone older would not be excluded, nor would otherwise relevant ACCAs/ACMAs/MBAs.

For a fuller job description write to John Courtis & Partners Ltd., Selection Consultants, 78 Wigmore Street, London, W1R 9DQ, demonstrating briefly but explicitly your relevance and quoting reference 7022/FT. This is an equal opportunity appointment.

**JC&P**

## INVESTMENT BANKING CREDIT MANAGER

New City-based small merchant banking company requires imaginative young executive with analytical and research experience.

We are a wholly-owned subsidiary of a major Continental bank with a growing international clientele: our mandate is to act as the Eurocurrency arm of the bank's international division. As such the London subsidiary shall be responsible for arranging short- to medium-term loans and for the parent bank's Eurobond activity.

The ideal candidate shall have substantial skill and experience in credit and country risk research and analysis, will be fully conversant with loan documentation and have a good knowledge of bankin operations.

He or she will have responsibility for risk analysis and evaluation, preparation of loan presentations and for developing and maintaining market and other information systems.

We are principally interested in the young man or woman who likes and enjoys the intricacies of international finance and who believes there is always a new and better way to serve a client. We also believe that he or she will have sufficient intelligence to want to manage his or her personal affairs: accordingly the position offers a straight salary that will include a generous base plus the equivalent of usual benefits.

Curriculum vitae to Box A.8502, Financial Times, 10, Cannon Street, EC4P 4BY.

## European Executive Based in London Sought by the Retail Consortium

To establish and maintain communications with the institutions of the EEC. The job will involve regular visits to Brussels. Recognising the increasing volume of legislation from Europe, we are looking for an executive to establish an effective two-way information service between the appropriate EEC institutions and Consortium members on EEC policy which affects British retailers.

Fluency in French and English is essential. Familiarity with the workings of the EEC and some experience of dealing with Government is important. Knowledge of the distribution industry would be an asset.

The successful candidate is likely to be around 30 years old and able to demonstrate a real interest in European affairs. The salary is negotiable but will be attractive to the right candidate.

Please apply in writing, giving full details of qualifications and experience to:

The Director  
The Retail Consortium  
19 Buckingham Gate  
London SW1E 6LB

## WILLIAMS DE BROE HILL CHAPLIN & COMPANY Private Clients Fund Management

is reorganising the structure of its Private Clients Department. They now wish to recruit a top calibre Executive, probably aged 30-40, with the potential of Partnership.

This is an opportunity for an ambitious person to secure a leading position in the important Private Clients sector. Candidates must have first-class experience, including international markets, and possess the drive, flair and will to succeed in developing the Department's further successful growth. The person selected will be expected to reorganise certain areas of the work of the Department and to develop new products and services. The successful applicant can envisage excellent career scope, including partnership prospects. Salary, which is flexible and for negotiation, will be at a sufficiently attractive level to secure the person selected.

Please write, with brief details of career to date, to Mr. P. H. A. Stanley, Williams de Broe Hill Chaplin & Company, Pinners Hall, Austin Friars, London EC2P 2HS.

## COMPANY MANAGER

Our company is looking for a person with extensive experience in financial and legal affairs, preferably with background in real estate. While he/she is administering our properties management, he/she will be following up financial and legal situations and taking the right decisions about it within our general policy. Salary will be commensurate with experience. Write giving full details to:

Raidnorth Limited,  
c/o Siddiqi and Company,  
Chartered Accountants,  
11, Ludgate Broadway, London.

## CORPORATE RELATIONS OFFICER

Major European international bank requires an executive (28-30 years) with the necessary drive to follow up and develop relations with international corporations, in the commercial banking field and in the corporate finance techniques.

This appointment involves the analysis and assessment of risks as well as the ability to deal with companies at senior level. A knowledge of accountancy, law and exchange control procedures would be an advantage, as well as a fluency in the French language.

It is unlikely that any candidate without professional and university qualifications and with less than three years' experience with a bank would meet the criteria for this appointment.

The post offers excellent prospects with the possibility of acquiring overseas experience within our world-wide network. Salary negotiable, according to qualifications and experience. Applicants should write, in confidence, enclosing a detailed curriculum vitae to:-

Mr. H. Young,  
Crédit Lyonnais,  
84/94 Queen Victoria Street,  
London EC4P 4LX.

## ACCOUNTANT — INTERNATIONAL BANKING

The London Branch of a major U.S. Regional Bank seeks to fill the position of Accountant following the promotion of the present incumbent.

The ideal candidate will

- be qualified, probably chartered or certified
- be in his/her early thirties
- possess at least three years' experience in all aspects of bank accounting, including currency swaps and foreign exchange
- have the stature to train staff and to deputise for the Chief Accountant when necessary.

Compensation is unlikely to be a problem for the right applicant: all the usual Bank benefits are available.

Written applications should be sent to Box A.6486, Financial Times, 10, Cannon Street, EC4P 4BY.

## Group Accountant £10,000 plus car

Small quoted company with subsidiaries engaged in insurance broking and underwriting agency management at Lloyd's requires Group Accountant who must be both qualified and experienced in Lloyd's accounting procedures. Age immaterial but the ability to get on with the job and with people essential. Modern comfortable offices close to Lloyd's. Non-contributory pension scheme, free BUPA, etc.

Replies with full curriculum vitae to:

Box 548, c/o Hanway House,  
5 Clark's Place, Bishopsgate,  
London EC2N 4BJ.

International company with headquarters in Geneva, having worldwide activities, is looking for an experienced

"INHOUSE" LAWYER

familiar with American and Anglo-Saxon law. Preference will be given to candidates having worked for international finance and shipping companies.

Age: 30-50 years.

Languages: English and French.

We offer a permanent position in a growing company: excellent salary commensurate with experience and social benefits.

Holders of a valid Swiss work permit are requested to send their detailed curriculum vitae with references and photo to cipher M 18 118 208 PUBLICITAS, 1211 Geneva 3.

## WANTED: Slightly Used Executives

Industry's biggest current need is for seasoned, mature executives in their 30s, 40s and 50s. Chusid clients have proven that these are the most productive and rewarding years of their lives.

To learn how "slightly used" executives have renewed their careers, you're invited to meet one of our professional Career Advisers without cost or obligation. For your personal, confidential appointment phone or write to our nearest office. We (help) change lives!

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We are not an Employment Agency.  
Sunday Answering Service.







## The Marketing Scene

## Winning the gift war: why Parker is write on target

BY MICHAEL THOMPSON-NOEL

THE PARKER PEN Company is rather special. So special, in fact, that it is among the select half-dozen companies whose advertising is now being choreographed by another rather special company, Frank Lowe Ltd, on behalf of Collett, Dickenson, Pearce.

When he resigned recently as managing director of CDP, Mr. Lowe—youthful doyen of London advertising—said he would continue to act as CDP account director for six top clients: Parker, Whitbread, Olympus Cameras, Fiat, Birds Eye and Express Newspapers, whose combined billings this year are expected to total £15m.

## Challenge

At first sight they seemed a mixed bunch. The common denominator, said Mr. Lowe, was that each was an outstanding enterprise in its own right, was involved in a challenging market situation, and would be a natural recipient, therefore, of the hundreds of good advertising ideas which Frank Lowe Ltd is confident it will generate.

It is easy to see why Frank Lowe likes Parker Pen. Despite the recession and the arduous trek through routes one, two and three of the pay policy, Parker has flourished at a remarkable

rate for a company that makes and sells quality pens. The cheapest Parker ball pen retails at £1.85, the most expensive Parker product—an 18ct gold pen—much used for signing oil treaties—at £230. In between is a whole range of silver-plated ball pens, rolled gold ball pens, stainless steel fountain pens, plated gold nib pens and fibre tips and pencils—handsome products, all, though not what you would assume to be essential items.

But that's the Parker story. Through adroit marketing, Parker has pushed its UK sales ahead by an average of 20 per cent by value in each of the past five years (over 12 per cent by unit). This year it will sell an estimated 5.3m units worth £27m at RSP, compared with 2.7m units in 1972. Parker says that this

year it will take around 34 per cent of total writing instrument sales, expected to be worth £1.5m. This year the figure will reach £1.75m, including just over £1m on main media advertising and £500,000 below-the-line (half on specially-built show cases, the rest on merchandising, etc.). It is spending a further £250,000 on business gift advertising and there is a separate budget of £100,000 for in-store demonstrations.

Part of the reason for this (remarkable) growth is that Parker is not only competing in writing instruments. It is up to its neck in the cut-throat battle zone known as the gift market where Parker pens vie for attention with Ronson lighters, Timex watches, transistor radios, leather goods, etc. (Parker reckons 70 per cent of pens worth £10-plus are bought as gifts).

Because it is fighting the Gift War, Parker spends heavily on

promotion. Last year it spent £1.5m. This year the figure will reach £1.75m, including just over £1m on main media advertising and £500,000 below-the-line (half on specially-built show cases, the rest on merchandising, etc.). It is spending a further £250,000 on business gift advertising and there is a separate budget of £100,000 for in-store demonstrations.

## Strategy

That is just the start. The lynch-pin of Parker's strategy is its insistence on product quality and reliability. There are a great many consumer goods companies that go through the motions on this front, but the Parker philosophy—applied internationally—takes depend-

ability to extremes. Its after-sales service is so immaculate that a '61 Parker Flighter de Luxe bought for £7.50 in 1974 can be sent today to the Parker plant in Newhaven where it will be repaired, cleaned and totally overhauled for 70p. You get it back in five days.

According to Parker's UK marketing director, Jacques Margry: "The benefit of the product in the consumer's hand is the least rated aspect of marketing, but we believe that a premium service must go hand-in-hand with a premium price. We've got the resources, size, standing and tradition in the UK to implement this policy, though it requires a lot of time, planning and muscle to go this particular route."

Parker also claims to have

developed an enviable dealer network (about 10,000 outlets are served by a 70-strong sales force), and says it has gone all out to improve retail visibility and dealer support.

On top of which it produces a steady stream of new products—ten in the last two years, the latest of which is the Falcon range. The Falcon fountain pen, which retails at a recommended £15, has no separate nib—the nib is part of the pen casing.

## Policy

Invariably, the Parker play is to promote most heavily its most highly-priced pens in order to render the lower-priced models more desirable by association. Thus a third of the advertising budget is devoted to the top-range fountain pens though they account for only 20 per cent of sales. In this way it does not have to compete on price with Papermate, its strongest rival in the ball pen market. Papermate models are available at prices below £1; the Parker equivalent costs £1.85.

It's a clever way to run a business. But then Parker makes exceedingly good pens, which is why Frank Lowe Limited plans to assist it with a continuing supply of exceedingly good ads.



Parker Falcon and friend

Winston Fletcher takes an envious look at the newspaper which claims to be the world's leading seller of classified advertising

## The Los Angeles Times—an ad man's dream

THE LOS ANGELES Times boasts that it is the world's leader in classified advertising. With well over 5m small ads a year, it is not a brag anyone is likely to dispute. Weekdays it carries a minimum 20 pages of tiny, and a good Sunday will bring a 120-page section crammed with more than 80,000. It's like a combination of Exchange and Mart and the London Weekly Advertiser published daily with news, sport and features thrown in as a bonus.

At just over 1m, the L.A. Times's circulation is not huge by UK standards, though of course it is a local rather than a national. It is also the largest daily in California, and this pole position, together with its wide readership within the State, brings it an exceptionally broad spectrum of recruitment advertisements—from directors of building at \$47,000 a year to butlers in Palm Springs (70 salary: quoted), from plumbers to printers to psychiatric nurses, from messenger boys to metallurgists to medical directors. No single UK paper carries nearly so catholic a range of job ads.

Moreover, its power as a recruitment medium is greatly enhanced by very local classified supplements. For example, the San Diego edition daily includes its own additional 12-page classified section.

About two-thirds of the classifieds are situations vacant ads (displaying its power of positive thinking the L.A. Times calls them Employment Opportunities). Following Employment Opportunities in importance are Properties and Automobiles, each occupying a further 10 per cent of the total, the staple diet of classified advertising columns throughout the world.

Even so, some of the transportation advertising is peculiarly American. Your average British classified space rep would not greatly relish trying to sell a half-page of second-hand small aircraft ads daily, nor a column's worth of fine mares and stallions every week.

David Ogilvy, in a recent speech, claimed he can invariably identify a thoroughbred

patent medicine copywriter by carrying out a simple test. Show a true patent medicine man a pharmaceutical pack. Ogilvy claims, and he will pay little or no attention to the colour or surface design. Instead he'll go straight to its jugular: the formula. He will want to know precisely what the ingredients are and what they do.

You can similarly recognise a thoroughbred adman. Give him a packed classified paper and he will immediately be hypnotised by the cornucopia of salesmanship in small print. Nevertheless, a fully-fledged thoroughbred will know there to be a fundamental technical difference between classifieds and display advertising: classifieds assume the reader has chosen to seek them out and read them, whereas display ads need to force themselves and their products upon the reader's generally uninterested attention.

This difference explains why, despite the pleas of classified advertising enthusiasts and salesmen, it is not a suitable vehicle for brand advertising. Not that this in any way lessens it as an advertising medium. They account for more than 20 per cent of total UK advertising expenditure and are the bulwark of the country's prosperously thriving provincial Press.

Though the aforementioned thoroughbred adman will know it to be dangerous to apply too simplistically the rules of display advertising to classifieds, or vice versa, the Los Angeles Times classifieds constitute a toothsome feast. Scattered throughout its type-laden columns the paper repeatedly offers: "Let us help you write a Resultful ad." (Though regret-

tably not to be found in the Oxford English Dictionary, resultful is the best single-word definition of advertising creativity I have come across.)

This generous offer is itself not very resultful, since few of the advertisers seem to take advantage of it. Doubtless like larger—and even smaller—there is totally integrated with all aspects of the economy. From Forest Lawns' promotional literature through to my favourite dentist's billboard, Americans patently and instinctively know advertising to be merely a cost-effective means of communicating selling messages to target markets.

The 5m plus small ads carried each year by the Los Angeles Times highlight simultaneously the extent to which the U.S. public automatically turns to advertising to solve its communications problems, and the extent to which the media see themselves very directly as advertising vehicles.

Winston Fletcher is managing director of Fletcher Shelton Delaney.

## Carefree launch

THE PRICE COMMISSION'S contentious report on sanitary protection and other hygiene products earlier this year claimed there was not enough competition in the sanpro market—partly, it felt, because the weight of advertising support lavished on the dominant brands was holding newcomers back.

Well, no sooner said than done. Today, Johnson and Johnson is initiating a major entry into the £60m sanpro market with the launch of Carefree panty shields. According to Peter Mitchell, director and general manager of J and J's consumer products division: "Far from duplicating existing products, it will establish a new growth sector in the sanpro market. We are confidently taking the unprecedented step of moving into a national launch following considerable sanpro sales eventually.

## SENIOR P.R. CONSULTANTS

A small highly professional corporate Public Relations consultancy, located in Central London, is looking for two senior consultants to handle portfolios of long-standing blue chip industrial clients. Previous consultancy experience is not required but a minimum of five years' commercial or industrial P.R. experience at management level is essential. Graduates with knowledge of engineering, electronics, energy, aerospace or pharmaceuticals would be preferred. Age range 25/40. Salary negotiable, in addition to profit-sharing bonus scheme.

Apply in writing to:  
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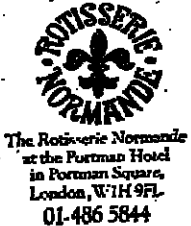
TV, women's Press and posters all figure in the latest, Elm, Brooke Bond drive for P.G. Tips packet tea. The company says it is the "biggest ever push" given to the tea and "amounts to the

highest ever level of spending on packet tea by any single brand in the market." The chimps are in the two new TV commercials and the agency is Davidson Pearce Berry and Spottiswoode.

Boots the chemist is spending £125,000 this month to promote its "No. 7 Ready-to-Wear" cosmetic collection. TV is getting £108,000 of the spend and the 30-second commercial is being shown over the next two weeks—the rest of the money goes into 10 magazines. McCormick Richards is the agent.

British Gas is promoting "Turn to gas" over the next five months. Boiler changeover, central heating and gas fires are some of the subjects. Agency:

The Rotisserie. Normande offers you that extra personal touch. Just phone Joseph Lasser, our restaurant manager, and ask him to send a copy of his menu to your home or office. This way you'll be familiar with our dishes when you arrive for dinner. The Rotisserie Normande specialises in La Nouvelle Cuisine, the totally natural style of cooking that is sweeping France. Whilst the dishes are new and exciting, the atmosphere is good old-fashioned candlelight. Have an evening to remember at London's most exciting restaurant. Also open Sundays!



The Rotisserie Normande at the Portman Hotel in Portman Square, London, W1H 9PL. 01-486 5844

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Corporate advertising on Southern Television can help to put that right. Communicating your aims and philosophies to a wider public.

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Face up to the facts and ask for more information. We'll be happy to show you our corporate identity audio-visual presentation.

**SOUTHERN TELEVISION**

For further information contact Brian Henry, Marketing and Sales Director, Southern Television Limited, Glen House, Stag Place, London SW1E 5AX. Telephone: 01-834 4404.

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<b>Modern Plastics</b>	<b>CHEMICAL ENGINEERING</b>	<b>Textile World</b>
<b>Electronics</b>	<b>Chemical Week</b>	
<b>COALAGE</b>	<b>Power</b>	<b>33 Metal Producing</b>
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**ITALY**  
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**SWEDEN**  
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20  
LOMBARDThe other side  
of Pecunia

BY COLIN JONES

MOST discussion of the proposed European monetary system has revolved around the objectives or mechanics of currency stabilisation rather than the broader implications. Since it is clear that a scheme of some kind will probably go ahead with or without British co-operation, it would pay to look more closely at these wider aspects. For it is implicit in any further measure of economic integration within the Community that there should be mechanisms for transferring resources between member states. Indeed, this much was recognised in the Bremen Communiqué in July. Once this is perceived, it is but a short step to realising that British interests would be best served, not by being curmudgeonly about the whole idea, but by making the most of this fresh opportunity to help re-shape the rules of the club.

There is considerable reluctance in some member countries to see resource transfer—beyond what will be needed to establish an intervention fund—as a necessary part of the new arrangements. For it is likely that the scheme is likely to be far from comprehensive. But there are two reasons why a currency-linking scheme will push the Community further down the road of resource transfer between richer and poorer areas.

First, the gains that can be expected to accrue from economic integration are unlikely to be evenly distributed, and so the lack of economic convergence between member states is likely to become more rather than less marked. Secondly, the further that integration proceeds, the more difficult it becomes for individual members to use trade and exchange rate policies to adjust to a fall in the demand for their exports or a rise in imports. If integration is to be acceptable to the participants, there needs to be an explicit redistributive mechanism to share out the gains in a politically acceptable way and to compensate members for their inability to use trade and exchange rate policies in the management of their economy.

## Built-in

In a federation—and in a unitary state—income differences between regions are automatically smoothed out by the public finance system. According to some studies, income gaps are reduced by an average of 40 per cent. This is done, not so much by specific regional policies, but by the built-in balancing effect of tax and public spending. Poor regions tend to pay less tax and receive a higher share of

spending on public services and social security, especially if unemployment is high.

The European Community is not a federation with a developed system of public finance, nor is it likely to become one. But the range of possible redistributive mechanisms open to it does not stop with enlarging the regional and social funds and the existing Community loan facilities. Others, which would not be inappropriate to the Community in its present state of development, were aired in an admirable—but little noticed—report last year by an EEC study team led by Sir Donald Macdonald, the Confederation of British Industry's chief economic adviser.

## Score

One of the more imaginative, in the sense that it could give the EEC a "human face", would be a Community fund to redistribute part of the financing of national unemployment benefits. Payments at the rate of two units of account for every unemployed person, at a total cost of \$3.4bn, would finance a third of unemployment allowances in the richest member and 55 per cent in the poorest.

More ambitious still would be a limited budget equalisation scheme—on the lines of the transfer mechanism used by Germany's Länder—based on the per capita fiscal capacity of the weakest states up to a set proportion of the Community average. Public spending would not be increased in the aggregate, nor would a large central bureaucracy be needed. Germany's Federal authorities merely keep the score. But such a scheme could have considerable redistributive power. The present EEC budget reduces per capita income differences among member states by barely 1 per cent. A budget equalisation scheme would need only \$24m a year, three times the present budget and about 2 per cent of Community GNP, to reduce income differences by 40 per cent.

All this may seem pie-in-the-sky, but so did currency stabilisation and a European currency unit (ECU) but a short time ago. In any case, the issue of redistribution will come up when the EEC budget runs up against the present financing capacity in the future, and again if or when three new members join. The impact of a directly elected assembly is another factor to weigh.

*Report of the Study Group on the Role of Public Finance in European Integration: EEC, April 1977.*

IN SEPTEMBER an Indiana Grand Jury indicted the Ford Motor Company on charges of homicide. This is yet another episode in the story of the Ford Pinto. The Pinto is a small car and in common with most small cars it has its petrol tank at the back and it is therefore possible that a rear-end collision may cause a fire. A year ago the National Highway Traffic Safety administration announced that it was investigating the design of the Ford Pinto, it said 35 deaths had apparently been caused by fires following a rear-end collision. It is alleged that the design of the Pinto was inadequate and that these deaths could have been avoided if more care had been taken over the design of the fuel tank and its location.

## Public opinion

Of course, Ford is not the only automobile manufacturer to have troubles. The NHTSA says 12m cars of all makes were recalled during 1977. However, public opinion appears to treat this defect as something more serious than the usual product defect. Not only are its consequences tragic, but it would appear that the court decisions were prompted by a belief that Ford knew before it started to sell the Pinto that this defect existed and that this belief was certainly in the mind of the jury that awarded very heavy punitive damages against Ford after a Pinto accident. It was presumably also in the mind of the Grand Jury that has passed down the indictment.

The criminal charges against the Ford Motor Company are based on an accident in August when three young girls were burned to death when their 1973 Pinto exploded after being hit from behind.

The indictment focuses attention on the question of possible criminal liability for a corporation. A corporation can be criminally liable just as a natural person is if it is capable of doing the act, having the intent, and of being punished. If the only punishment for an offence is death or imprisonment, it is clear that a corporation cannot be guilty, but if it is guilty of crimes punishable by a fine, then the corporation, in Indiana where the accusation is of reckless homicide and in the case of reckless homicide, then the corporation would be responsible for the consequences of the decision.

It is clear that a corporation could not purposely intend the death of a consumer or by a stander, although it is possible to imagine that a director could be personally responsible. However, a reckless disregard of the consequences of adopting a particular design could lead to the third category of homicide, namely negligent homicide. In the 1962 case of "Standard Oil

Company of Texas v. U.S. Justice Brown considered the criminal liability of a corporation. Perhaps with vague recollection of Gilbert and Sullivan he said: "It is a logical paradox that this creature of the law—the corporate entity—is created by law with the power to violate law."

Ford has said that the criminal action against it is both unprecedented and unwarranted. However, there have

been cases where a corporation has been found guilty of a criminal offence by virtue of its reckless or negligent behaviour or rather behaviour of its agents. If a corporation is to be found guilty in a criminal court for a product defect, it will be necessary to show that the design and manufacture were recklessly done with knowledge of the defect and of the possible consequences. Another point that may have to be considered at some time or other is the criminal liability of the corporation's employees. In 1961 some General Electric managers served prison sentences. It is not impossible for charges to be made against individual employees. In fact, there seems to be a tendency to fix responsibility on individuals and even a tendency to hold the chief executive officer personally liable. The argument is that his responsibility extends to the whole operation of the company and that therefore if its subsidiaries set for the benefit of the company in a criminal way, then he must accept his share of the responsibility.

The lesson of the Pinto cases and of the other examples of product defects that have reached the headlines is that public opinion is strongly against the deliberate choice of an unsatisfactory design. The crime is not so much producing a defective article but of producing with knowledge of the possible consequences. The practical difficulty is that the law has not found a satisfactory way of punishing a corporation.

The corporation can be deprived of its profits mainly as has happened in the Pinto case by heavy punitive damages in product liability suits, but the scale of fines for individual officials is not appropriate to a big corporation. The impact on the Ford treasury of fines of \$35,000 will be minimal. The damage which a verdict of "guilty of negligent homicide" would do to the company's public image would be greater. Punitive damages may be more effective than fines and we may expect to see an increase in the number and amount of awards.

*\*Derrick Owles is Professor of the Department of Administrative Studies, Glasgow University College, New Jersey.*

## Heavy damages

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## BUSINESS AND THE COURTS

BY PROFESSOR DERRICK OWLES

Company of Texas v. U.S. Justice Brown considered the criminal liability of a corporation. Perhaps with vague recollection of Gilbert and Sullivan he said: "It is a logical paradox that this creature of the law—the corporate entity—is created by law with the power to violate law."

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## Stanford has bright chance

STANFORD, ONE of six Newmarket-trained colts in the ten-runner William Hill Middle Park Stakes line-up, seems to have a bright chance of following up his Gimcrack victory.

The powerfully made Red God chesnut needed only to be kept up to his work with hands and heels on the Knaves to heat Miami Springs by a head, and I have little doubt that the margin could have been increased to a length or so had Eddery been hard on him.

Stanford found little in the closing stages of the July Stakes after appearing to be travelling best of all, but can probably be excused that defeat because he was green.

In his only previous race—a minor affair at Windsor—he finished second, but it seems significant that he has attracted little support from normally highly active Irish punters.

Harry Wragg's good looking Sharpen U colt, Jeronham, sports the champagne and tangerine colours of Mr. Jack Lilley event, has done little wrong in

four races and there were many at Newbury who considered him unlikely to be relegated to second place in the Mill Reef Stakes. This happened because judges said he hindered King of Spain when being switched to the rails approaching the final furlong.

There should be little between him and the Chilton representation, but it will be surprising if he fails to turn the tables.

Two others who clearly merit serious consideration are Ireland's sole challenger, Junius, and Jeronham, a long way below par at Doncaster last time out.

Junius, a Raja Baba yearling bought by Vincent O'Brien for \$200,000, is by far the most expensive colt in the field and also has an almost unblemished record.

Runner-up on his debut—reportedly beaten through inexperience—Junius has since won twice at the Curragh.

He may be a high class colt in the making, but it seems significant that he has attracted little support from normally highly active Irish punters.

Harry Wragg's good looking Sharpen U colt, Jeronham, sports the champagne and tangerine colours of Mr. Jack Lilley event, has done little wrong in

Derby victim, Pretendre. He struck me as a more than useful two-year-old when he ran away from the Convivial Stakes at York.

If he can return to that form, this chesnut son of the Prince of Gift may, La Mirabelle—already responsible for Palace Royal—could cause a surprise.

However, an open and almost certainly sub-standard field. I do not intend to desert the game and still improving Stanford.

Two Southern-based raiders, Singing Clover and Strictly Swine, could hot out the field in the Bloodstock and General Insurance Stakes, formerly the Benitick Nursery.

Strictly Swine, who came good in a 20-runner maiden event at Lingfield last time out at the chief expense of Luna Nueva, a 19-year-old daughter of Swine, with plenty of scope for improvement, in receipt of 7 lb from Singing Clover, she appears as slightly the better proposition of the pair.

## NEWMARKET

2.00—Johnannes  
2.30—Eastern Spring  
3.00—Strictly Swine  
3.35—Fluorite  
4.10—Fleazea  
4.40—Jerson

## TV/Radio

† Indicates programme in black and white.

## BBC 1

6.40 am Open University (Ultra High Frequency only). 9.41 For Schools. Colleges. 12.35 pm On the Move. 12.45 News. 3.00 pm Pebble Mill. 1.45 Bagpuss. 3.00 pm Pebble Mill. 2.14 For Schools. Colleges. 5.33 Regional News for England (except London). 5.55 Play School (except BBC 2). 6.00 pm News. 6.05 John Gorton's Newsround. 6.10 Blue Peter. 6.40 News.

## F.T. CROSSWORD PUZZLE No. 3788

1	2	3	4	5	6	7	8
9	10	11	12	13	14	15	16
17	18	19	20	21	22	23	24
25	26	27	28	29	30	31	32

- 1 Matchbox could set a precedent (4, 4)  
2 Leave a position for keeper (6)  
3 Mylonas transvestism by Scots leader abroad (5, 3)  
4 Recent changes in the base (6)  
5 Callous about sentiment at Lake Success (9)  
6 Foreign chap forming part of chosen order (15)  
7 Girl would take off (4)  
8 Join on Cockney female nursery (7)  
9 Left high and dry at a football stadium (7)  
10 Ingenious to share key (4)  
11 Lukewarm backing for favourite before I'd finished (5)  
12 Discard resting place to fight a lion (5, 4)  
13 Leader of press gang (6)  
14 Change to fish on toll road (8)  
15 Bull brings drudgery close (5, 3)  
16 One hundred and fifty indeed may be turned down (8)  
17 Hymn with boring sound (2, 4)  
18 Lots of people working furiously (6)  
19 Players point to class (5)  
20 Deliberate way up class departed (7)
- 6 Finished display by mistake (9)  
7 The French can label classical quantities (5, 3)  
8 Delict finding West-country flower on old aeroplane (5)  
9 Union leader in flute gets a fever (4)  
10 Pursue dog to the ground (5, 6)  
11 Sailor with complaint about meat (4, 4)  
12 When wet through, one gets fat (8)  
13 Sleep at party on board (4)  
14 Make merry accountant wake up (7)  
15 Lose in adjusting damage (6)  
16 Odds on study providing feast (6)  
17 Glass left by group of experts (5)  
18 Solution to Puzzle No. 3787
- 1 Hymn with boring sound (2, 4)  
2 Lots of people working furiously (6)  
3 Players point to class (5)  
4 Deliberate way up class departed (7)

Scotland—9.41-10.01 and 11.30-11.50 am For Schools. 5.55-6.20 pm Reporting Scotland. 11.25 News and Weather for Scotland.

Northern Ireland—11.30-11.50 am For Schools (Ulster in Focus). 11.55-12.20 Northern Ireland News. 5.55-6.20 News Around Six. 11.25 Weather. 11.25 Jack High. 11.55 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (North West, North, Midlands Today (Birmingham), Points West (Bristol), South Today (Southampton), Spotlight South West (Plymouth).

## BBC 2

6.40 am Open University. 9.30 Labour Party Conference. 11.00 Play School. 11.25 and 2.00 pm Labour Party Conference (further coverage). 4.55 Open University. 6.30 News on 2 Headlines. 6.55 When the Boat Comes In. 7.25 News. 7.55 Conference Report. 8.20 Terence Judd (piano) plays music by Liszt. 10.30 Midweek Cinema: "Brief Encounter," starring Celia Johnson and Trevor Howard. 9.55 Will Mannion, "golden boy" of English Soccer: a celebration. 10.25 The British Connection? 10.50 Late News on 2. 11.05 Closedown (reading).

## LONDON

9.30 am Schools Programmes. 12.00 Topper. 12.10 News. 12.30 Moneyweek. 1.00 News plus FT inset. 1.20 Thames News. 1.50 Crown Court. 2.00 Afternoon News. 2.30 News. 2.50 News. 3.15 News. 3.30 News. 3.45 News. 4.00 News. 4.15 News. 4.30 News. 4.45 News. 5.00 News. 5.15 News. 5.30 News. 5.45 News. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 1.00 News. 1.15 News. 1.30 News. 1.45 News. 2.00 News. 2.15 News. 2.30 News. 2.45 News. 3.00 News. 3.15 News. 3.30 News. 3.45 News. 4.00 News. 4.15 News. 4.30 News. 4.45 News. 5.00 News. 5.15 News. 5.30 News. 5.45 News. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 9.00 News. 9.15 News. 9.30 News. 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# Syria losing in Lebanon

THE INCREASED level of fighting in Lebanon between Syrian forces and local Christian militias is a tragedy for that country which poses severe dangers to the current drive towards peace in the Middle East. In several ways, the bombardments are a replay of what happened when the civil war broke out in 1975. That coincided with the conclusion by Egypt of the second Sinai disengagement agreement with Israel. While this was undoubtedly an important precursor to the current negotiations between Egypt and Israel, it had, then as now, the side effect of an explosion in Lebanon.

It occurred because Lebanon's political and social structure had become anachronistic and no longer reflected accurately the changing balance between Christian and Moslem parties in the country. This made it fertile ground for inter-Arab disputes exacerbated by the Sinai agreement. But above all, Syria became deeply involved, partly because it wanted to divert attention from the agreement and partly because it badly needed to build up its influence in the area up to the north and east of Israel. Much of the same has happened again since Camp David.

## Higher stakes

The civil war cost many thousands of lives and went a long way to destroying the Lebanese economy. This time, however, there is an additional and even graver feature in that the stakes after Camp David are higher. The two "framework" agreements represent not only the most important diplomatic initiative since the conflict started, but also the start of a negotiating process which could turn out, if other states join in, to be irreversible. In addition both Syria and Israel are now more dangerously and directly involved than in 1975-76. Firstly, Syria has some 30,000 troops on the ground as part of the Arab peace-keeping force. Secondly Israel has built up close ties with the Christians and threatened to intervene on their behalf. The potential for a damaging Syrian-Israeli collision is there.

Three desperate parties are involved in Lebanon. The main role is played by the Syrians, whose policy seems to have lost its way badly. Since 1975, they

have changed their support for the main Lebanese factions.

When the civil war started they supported the Moslems and the Palestinians, shifting to the Christians when it looked as though they might be defeated.

Now they are back to putting pressure on the Christians by heavy bombardment of east Beirut. At the same time, Syria claims to know what President Sarkis of Lebanon wants, but every move they make betrays a lack of understanding of how Lebanese politics work.

Although Syria claims to be giving full support to Mr. Sarkis as the national leader, its actions have served only to undermine the position of the President, who has no credibility with the Christians and increasingly less with the Moslems.

Secondly, the Christians are desperately hoping that some party—mainly the Israelis—will come to their aid. Thirdly, the Palestinians, not unlike the Christians, can see some advantages in luring Israel and Syria into a clash which might conceivably destroy the negotiations which are due to begin in Washington later this month.

For the moment, it would seem that the chances of a clash occurring are limited, unless one side or the other miscalculates. Washington has let Israel know that it does not want direct intervention.

Furthermore, Israel has no interest in jeopardising Camp David and its relationship with Egypt. President Assad of Syria is also fully aware of the risks of a confrontation.

**Bogged down**

The problem is that Syria is becoming increasingly and almost irrevocably bogged down in Lebanon. It has rejected the U.S. offer of an international conference, and yesterday Mr. Assad appeared to deride a French security plan.

For if Mr. Assad were to withdraw it would involve a loss of face and an admission that his policies were both wasteful and wrong on such a scale that his regime might be endangered.

But while bittling the Christians he is also not being successful in cowing them. On the contrary, he is probably helping them to do what Syria has always opposed—to partition the country and create an enclave outside the control of Damascus.

financial control of an expanding area of public expenditure. The area where the biggest expansion is taking place is the provision of funds to industry; there is a remarkable array of fund-providers to whom companies can now turn, all ploughing their separate furrows and all eager, just like the administrators of the Job Creation Programme, "to work quickly and create jobs rapidly."

The Scottish Development Agency lost some £800,000 on three investments, all of which failed not long after the SDA acquired its shareholding. These investments were made at an early stage in the Agency's life and the management would certainly claim that its appraisal and monitoring procedures are now more highly developed.

But £800,000 seems a high price to pay for gaining experience. Because job-creation and investment are regarded as "good things," any programme or agency which promotes these objectives seems assured, despite occasional blunders, of a steady supply of government funds.

This Section 7 of the Industry Act, whereby governmental funds are made available to firms in the assisted areas, has become an established part of the system, even though its cost effectiveness is uncertain.

The Select Committee points out that a rather small proportion of the companies in receipt of Section 7 money has achieved the employment increases made at the time their projects were approved. This does not necessarily mean as one member of the Committee suggested, that the whole of Section 7 assistance is a "con," but it does underline the need for regular and rigorous scrutiny of all such programmes.

The civil servants and quasi-civil servants who run these programmes and agencies know they are not going to win any credit in one to work quickly and create jobs rapidly. As the money or if they hand it the empire grew, it was seen that monitoring arrangements had to be improved. This may please the

In this, as in most of the other cases, the Public Accounts Committee is mainly concerned with assessing "the effectiveness of the administrative and financial control of an expanding area of public expenditure."

The loser is the taxpayer.

# Computerisation may pave the way for tax reforms

BY DAVID FREUD

THE INLAND Revenue has embarked on a programme that is likely to result in the first fundamental change in the income tax system since Pay As You Earn for employees was introduced during World War II.

In February it set up a full-scale feasibility study on computerising the assessment of PAYE. This will make the system far more flexible and, more importantly, it will open the door to a series of tax reforms that successive governments have been prevented from introducing because of the restrictions inherent in the present manual operation.

If the expected ministerial go-ahead is forthcoming when the study is completed next year, computers should be handling the assessment of all PAYE taxpayers by the 1986/87 tax year.

A computerised operation would permit Ministers, for instance, to tax short-term benefits, to introduce tax credits, to incorporate local income taxes in the assessment and to add a measure of self-assessment to the system.

## Mr. Healey's enthusiasm

All these changes have been considered by governments in the past, but have been ruled out because of the disproportionate staff cost to the Inland Revenue. By the late 1960s, however, Ministers will be able to make these and other changes with relatively little difficulty.

The computers will also enable future Chancellors to step up the frequency with which tax rates are adjusted—an opportunity some will doubtless take advantage of if Mr. Denis Healey's enthusiasm for Budgets is any guide.

More than anything else it is the demands put on the present manual system by recent chancellors that has made the Revenue push so vigorously for computerisation.

Last year set something of a record. The 39,000 staff involved in PAYE work had to revise codes on taxpayers' control cards—known as "con cards"—manually on no less than five separate occasions to take account of changes in personal allowances and mortgage interest rates. There was considerable staff friction at the amount of overtime required, and the latest Revenue report said, "1977 tested the PAYE machine to its operational limit."

Once the records of individual taxpayers have been fed into a computer, however, recording becomes a rapid and automatic process. Tax increases in the second half of the fiscal year—the present manual system rules out—could be made without difficulty.

The manpower implications have not been fully worked out, but the computers will undoubtedly replace thousands of the clerical staff now employed in assessing PAYE, which brings in the bulk, 75 per cent, of income tax, equivalent to about £15bn this financial year.

The Revenue has been flirting with computers since the middle 1950s. Under the 1964-1970 Labour Government there was a programme to computerise all PAYE assessment at nine centres, and the first of these centres, Centre One at East Kilbride in Scotland, started handling Scottish employees in 1970.

The Conservatives called a halt to that programme because they wanted to investigate the possibilities of developing a system to cope with negative income tax and tax credits. The return of the Labour Government in 1974 ended this initiative.

Meanwhile a programme aimed at the collection of tax—which, for security reasons, is a separate responsibility to assessment—proceeded steadily. This spring the first of two computer installations, at Cumbernauld in Scotland, opened and the second at Shipley in West Yorkshire, should be operating next year.

The original nine-centre programme for assessing PAYE was revived after 1974, mainly because computer technology had moved on and the prospect of an "on-line" system with instant access to information emerged. The East Kilbride Centre One system has long delays built-in, with requested information taking several days to be produced.

The Revenue has shied away from the prospect of setting up a single instant-access installation which would require a computer of enormous power. Instead it is likely to settle for 14 separate installations based on the administrative regions established in 1976.

A pilot scheme has been operating since the autumn in Liverpool to see how Revenue staff would adjust to using Video Display Units, called PLANET-PAYE Local Access Network—the computer has done this year's annual recording and early indications are that staff found no difficulties in using the facility.

In March Sir William Pile, chairman of the Revenue, told the Commons Committee of Public Accounts that the move towards computerisation was "progressing at maximum revolutions." The full study set up the previous month was being carried out by a team of 30 Revenue staff complemented by four outside computer experts.

Sir William himself is chairing the steering committee, which includes representatives from the Civil Service Department and the Central Computing



Inland Revenue staff using Video Display Units at the pilot computer scheme in Liverpool.

Agency. Towards the end of 1979, according to Sir William, "the Ministers of the day will be asked to let us go ahead on a proven and detailed plan."

If the plan receives approval, implementation is likely to follow a six-year time-table. For the first 2½ years a computer system will be designed and tested before going into operation for a full year in a single one of the regional centres. At that stage work can go ahead in converting the other 13 centres, creating a national system by 1986.

One of the principal reasons for the painstaking approach is the determination of the Revenue to create a system robust and flexible enough to be adapted in any direction that may become politically desirable. Sir William assured the Public Accounts Committee of the House of Commons that all the important options would be retained and computers would make some of those options practical possibilities—which they were not under the manual system.

Perhaps the most obvious change politicians will consider is the taxing of short-term national insurance benefits. When introduced these were intended to be taxable, but in 1948-49 the Revenue found it could not cope, so the attempt to include them in assessment was abandoned.

Clearly this has created severe anomalies in a tax system where marginal rates change depending on the level of total income. A recent study by the Ciaré Group of economists also

found that it created some incentive for unemployed individuals to delay finding new jobs. Politicians of both parties have called for these benefits to be taxed, so reform in this direction is likely soon after computerisation.

Another practical possibility would be to scrap local authority rates in favour of local income tax administered in conjunction with PAYE. Such a change would be in line with the recommendation of the two years ago of the Layfield Committee, which concluded that local income tax was the only way of making councils more responsible for their spending.

## Different rates

The present manual system could not cope with taking on board all the different rates of tax councils would charge. It would plainly be impracticable to issue employers with 20 or more sets of tax tables to cover all the rates.

Nor could a standard rate be charged—say, 4 per cent—and adjustments made at the end of the year. This would overload a system which relies on five in six taxpayers having the right liability deducted cumulatively during the year—with out needing further dealings with the Revenue.

The same difficulty would not be present in a computerised system, which could automatically assess, print and despatch

year-end demands and repayments to adjust for local income tax rates.

This flexibility at year-end also provides the opportunity of introducing a measure of self-assessment into the system on the model of the U.S. and other countries. The Revenue has been studying this subject intensively since last year and there are signs that self-assessment could have a bigger part to play in the taxation of the UK's half-million companies. The prospect for its introduction into PAYE seems more remote, however.

Tax credits, which the last Conservative Government favoured and which also require year-end reconciliation, have on the political front—a much greater likelihood of seeing the light of day.

By 1974 a great deal of work had been done in the Revenue on the Conservative Government's proposal for a tax credit system. This would have involved paying allowances to individuals regardless of whether they paid tax or not. The latest Revenue report said that a computerised version of the existing PAYE system should be well capable of adaptation to a negative income tax of this nature, though additional capacity might be required to cope with the increase in the number of taxpayers.

Such a change would be a significant step towards creating a single interface between the citizen and Government for paying money in and out. It brings with it all the problems of privacy and confidentiality over system's operational limit.

which concern has been widely expressed in recent years.

There is already some exchange—authorised by Parliament—of information between the Revenue and the Department of Health and Social Security. This deals with the earnings related National Insurance contributions for employees.

But to what extent should computers belong to different government departments? he linked. There are strong "Big Brother" implications here, and politicians will have to lay down some firm ground rules before the Revenue computer system goes live. It is hoped that the Data Protection Committee, set up by the Home Office two years ago, will provide guidance in this key area.

Computerising PAYE should also permit the Revenue to catch up with one of the most fundamental changes in post-war Britain: the growing role of women in the economy. The traditional treatment of the family as a single unit has caused great annoyance to many working wives, and in the last Finance Act several cosmetic changes were made. "Up as now staffing considerations have effectively ruled out any major change in the way the married unit is assessed. Computerisation should make reform feasible."

The immediate impact of computerisation on taxpayers will not be large. Their notices of coding and assessment will be printed, rather than written in ballpoint, and they will receive repayments of excess tax more rapidly than is now the case. They will also receive demands for underpaid tax more rapidly.

## Several letters

Individuals whose tax affairs are complicated will receive separate communications on different aspects direct from the computer, rather than the present consolidated approach. This is because it is cheaper to let the computer send several letters to the same address than to halt its output flow.

More important, the off-loading of routine work on to the computer should allow Revenue staff more time to devote to non-routine aspects. Those taxpayers requiring individual help will welcome this, for other people the prospect of tax officials with more time on their hands is not so pleasing.

But tax officials are unlikely to be at a loose end for long. With a sophisticated and streamlined tax system at their disposal it will be an unusual citizen and Government for paying money in and out. It brings with it all the problems of privacy and confidentiality over system's operational limit.

# Too many hands in the till

THE NUMBER of Government agencies disbursing taxpayers' money has increased, is increasing and ought to be diminished. That is the inescapable conclusion from the latest batch of reports from the House of Commons Public Accounts Committee. While the Committee has not unearthed any spectacular new scandals, there is plenty of evidence of misplaced optimism, inadequate controls and sloppy administration. In the field of employment preservation, especially, politicians have been too ready to create new departments or institutions, often with substantial budgets and with an uneasy mixture of social and commercial objectives. Detailed oversight of their operations by the sponsoring Ministry or by the Treasury is either not feasible or thought to be incompatible with their commercial role. The people appointed to run them are eager to spend the money, thus demonstrating to their political masters that their decision to set up the agencies was correct. The result, too often, is waste.

## Monitoring

One example described by the Committee is the Job Creation Programme, started in the autumn of 1973 as a temporary measure to provide short-term jobs of social value in areas of high unemployment. By 200 staff from the Manpower Services Commission, supports work-related projects sponsored by a variety of bodies including charities, voluntary organisations and local authorities.

As the Public Accounts Committee reports, the financial control exerted by the MSC has proved to be inadequate: too many of the sponsored projects were either in financial difficulty or showed financial irregularities. The MSC told the Committee that from the start it "had tried to minimise bureaucracy in order to work quickly and create jobs rapidly." As the empire grew, it was seen that monitoring arrangements had to be improved. This may please the

The loser is the taxpayer.

# MEN AND MATTERS

## Information hard to find

As Labour delegates thrashed over Bingham at Blackpool yesterday, a meeting on the partially-related question of freedom of information was also taking place — or so the All-party Freedom of Information Campaign had claimed in a flurry of telephone calls to Fleet Street. The promised star attraction was to be "a quote from Tony Benn," and a crowd of about 100 gathered outside the campaign headquarters.

It was too late to ask him about the persistent rumours that Scientologists are active in the All-party Freedom of Information Campaign. King, when tracked down again, said "No MPs are Scientologists," after a long pause, he added "I'm one, but I don't work for them particularly."

Hours later, one of the men behind the campaign was tracked down — Hugh McCartney, Scottish chairman and MP for Dumbarton Central. Had the FT been the only paper unrepresented at the meeting? Not exactly. Was any newspaper able to find the Freedom

of Information caucus? "Well no," said the Press assistant, Joe King. "But we knew where you all were — listening to the debate — on the Bingham Report. Unfortunately, it clashed."

The Rhodesia scandal, or the Crown Agents affair, might not have happened if there had been freer information, opined McCartney. It would cost the Treasury a paltry £10m a year, he said, before disappearing once more into the Treasury's "black hole" and a crowd.

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## CND revisited

The conference yesterday revived an old tradition when it returned to its ritual of calling for a reduction in defence spending. But members of the Campaign for Nuclear Disarmament said they were happy for first time for several years. The reason? That a decision on replacing Polaris has to be taken in the next two years and the CND believes that "Labour will no longer be able to wriggle out of cutting expenditure on nuclear weapons," or so CND secretary, Walter Wolfgang, says.

The disarms, like the Fabians, found that their fringe meeting was not well attended. But rumours about the death of CND have been exaggerated, Wolfgang claims.

Wolfgang was one of the Committee of Four who organised the first Aldermaston march. He believes that support for CND is growing because Britain is no longer in a position to afford nuclear weapons without cutting back expenditure necessary else-

where. But the membership figures show his is an uphill task. There are 50 Labour MPs on CND's books but only a total of some 3,000 members, compared with the heady 100,000 of 20 years ago.

## Slight mistake

The American "Financial Marriage of the Decade" lived up to all its advance billings. There this weekend was Edwin H. Yeo, the huge smile permanently on his face belying the tough image he acquired when as Under-secretary of the Treasury in the Ford administration, he laid down the law on the British economy in advance of the IMF loan; and Gretchen Greene, his bride, was looking for a lawyer than a Vice President of the New York Federal Reserve Bank might be expected to.

The supporting cast was equally glittering. Best man was William Simon, the former Secretary of the Treasury. The ushers included Arthur Burns, ex-Fed Chairman (who said he had only ushered once before in his life and that was at a coveau in his youth); Jacques de Larosiere, new managing director of IMF, and William Rogers, formerly Secretary of State.

Vignettes abounded, both at the reformed church in Bronxville, New York, and at the Westchester Country Club, where the reception was held. The most intriguing scene was that of Burns, pipe clenched in teeth, lips barely moving, leaning forward and wagging a finger slowly at de Larosiere. Unfortunately it was impossible to hear what he said.

The only post-ceremonial blot on the occasion was provided by the Washington Post. It was the sole newspaper to send a reporter up to cover the nuptials and this week it dutifully ran a long story under a

large picture, purportedly of the bride and groom. Unfortunately, the photograph was of the bride and William Simon. The Post has now apologised, somewhat grudgingly. The newspaper, after all, has never liked all those Republicans.

## New front

We have long been hearing of the Japanese "dumping" goods at prices which cannot be matched by British manufacturers. But now they are dumping dollars too—or so Western bankers are beginning to complain.

The complaints come from those in the international capital markets who have been beaten to the punch by the Japanese in several important loans, including Britain's own recent £500m borrowing by the Electricity Council.

Such is the pace of this lending that the Japanese Finance Ministry is now officially warning Japanese banks against their "cut-rate" medium and long-term dollar loans. The rates are between 0.5 and 0.625 per cent over London interbank offered rates. Tokyo seems sensitive to such points with Japanese officials admitting that the loans are being dubbed as *havikiri* and *banzai* operations. Surely one means suicide and the other is a battle cry? I asked one Japanese banker. "Oh, *banzai* is used for many things," he replied. "For instance, it means attack or surrender." Baffled, I decided to retreat.

## Pulled up short

A Kensington landlord tells me that when he wrote to one of his tenants giving him a month's notice he received the most courteous of brief replies: "Dear Sir," it read, "I remain, Yours faithfully, . . ."

Observer



# The real news about sterling and the EMS

SO MUCH attention has been focussed on the harmful irrelevance of pay policies and on the nuances of Government-TUC Brussels—to force a change of relations that the far more important consequences for sterling and the economy of the highly probable British membership of a European Monetary System (EMS) are not receiving the attention that they deserve.

To be specific, the German and French Governments are utterly determined to go ahead with the Bremen scheme for linking exchange rates "at least as strictly" as under the existing "snake" of Germany, Denmark and Norway, which operate a 2½ per cent band on either side of a central rate. The commitment of the French President, M. Valéry Giscard d'Estaing, is said to be so great that he would rather see the UK left outside than let the deadline of next January slip away.

Although the British Cabinet has never discussed the project, the determination of Mr. Callaghan and other senior Ministers to make the scheme succeed is much greater than has so far been realised. Moreover Italy and Ireland are now inclined to join irrespective of what the UK does. Thus the main question is whether the EMS will have eight or nine members when it starts in 1979. Enthusiasts for membership on the British side can now make the quite legitimate debating point that the UK as a lone peripheral non-joiner would have precious little influence on matters such as the Common Agricultural Policy and the Budget.

Indeed I would give odds of between 2 and 3 to 1 in favour of the UK joining. It would take a major calamity on the

industrial front at home—rather than any foreseeable advance of pay policies and on the negotiating difficulties here in Brussels—to force a change of relations that the far more important consequences for sterling and the economy of the highly probable British membership of a European Monetary System (EMS) are not receiving the attention that they deserve.

This immediately raises the question of the exchange rate at which the UK and other non-members of the existing make would join. If the EMS is not to be utterly discredited, parties which the national authorities believe can be held for longer than three or six months will have to be chosen. There has for some time been an excellent argument on purely domestic anti-inflationary grounds for running a sufficiently tight British monetary policy to maintain sterling in the last few days may be a foretaste of things to come.

## Small snake

A "face-saving" solution sometimes mentioned in Brussels would be for the Germans to revalue within the existing small snake. This is something that the Belgian authorities who are feeling the strain of living with the mark would love to see happen. But even if the Germans were to do this, it would be the end of the matter. In fixing the EMS parity the British authorities will be indirectly determining an exchange rate against the rest of the world and will be very concerned to get it right.

It may seem paradoxical that a scheme designed to promote monetary stability should be likely to lead to a lower sterling exchange rate and thus to a higher inflation rate, at least in the phase of introduction. But having gone so far along this road, any last-minute decisions to stay outside the EMS would probably be interpreted as a sign not of independence, but of political or industrial weakness and thus weaken ster-

ling even more than the adjustment required before entering.

UNFORTUNATELY everything I have heard in Brussels about the details of the discussions reinforces my fear that governments are fundamentally mistaken in their approach to the monetary scheme—just as they were in the unsuccessful earlier attempts. The UK left an earlier snake arrangement in 1972 after a mere few months of membership and France did so after a longer interval on two separate occasions. As Mr. Callaghan has shown in another context it is never too late to change course.

The frightening feature of present discussions is that governments are embarking on another exchange rate union without any real understanding of what national economic policies are going to be adopted to enable the union to survive. The basic rules of the new system are those of the old abortive IMF plans for "fixed, but adjustable" exchange rates. The plan for a new European Monetary Fund (EMF) of \$20bn to \$30bn, which will absorb existing credit facilities, does not alter its basic nature.

In earlier articles I have tried to explain why the supposed compromise is worse than either extreme of seemingly floating or genuinely fixed rates and is indeed likely to break down between major trading currencies. But even those who believe that a compromise could be made to work technically are the first to insist that the whole EMS idea will be utterly discredited if frequent changes have to be made in the agreed "central rates".

If there is to be even a gradual approach to monetary union internal policies would

have to be adjusted to reduce the need for parity changes. Just how difficult this will be is illustrated by the table prepared by two London Business School economists to show what would be required on the basis of past experience to stabilise world exchange rates. It also illustrates EEC problems. For instance, if sterling is to hold its parity with the Deutsche Mark the British inflation rate would have to be 2 per cent less than the German one and money supply growth more than 7 per cent less.

The discussions in Brussels have not been on such subjects at all. Nor have they been on the vital matter of exchange rate policies towards the outside world, notably the U.S. dollar. These subjects are supposed to have been covered by the brief undertakings in the Bremen communiqué "to pursue policies conducive to greater stability at home and abroad" and to central bank consultations to avoid "contradictory intervention" in the dollar market. In practice too much reliance is based on the very temporary pragmatic agreement at the world economic summit about measures such as the supposed 1 per cent growth boost to the German economy. Too much is also being made of the coincidental and not very durable narrowing of the gap in international inflation rates.

The EMS negotiations themselves have centred on the definition of the intervention points for currencies in the new narrow band. The Germans have converted most other governments to a grid system of bilateral margins between all pairs of currencies and against the British preference for defining intervention margins against the EEC basket of currencies

known as the ECU. Talks now centre on the interpretation of a Belgian compromise under which movements against the basket will act as a pointer to deviant currencies which are straining the system.

At the same time "concurrent studies" are being undertaken to promote a better "transfer of resources" within the EEC. This last expression has caused confusion. The main British interest is in correcting the perverse workings of the Common Agricultural Policy and the Community Budget, under which the UK is estimated to be paying in during 1978 some

available to support British regional policies, as is highly likely, there should be few obstacles on this front to British entering the EMS.

Mr. Healey has stressed the technical question of baskets versus grids because he has been led to believe that the former lead to a more symmetrical distribution of adjustment burdens between debtor and creditor countries. He may have been wrong to place so much emphasis on a particular mechanism, which was already heavily criticised during the abortive IMF attempt to fix exchange rates

unable to find a way of putting the monetary targets of different members on a comparable basis.

This would not matter if, for example, Germans were to set counter-inflation targets and other countries adjusted their internal policies by trial and error to maintain their parities with the D-mark. But Governments, with the possible exception of the French, are clearly not ready to do this.

The political initiative of the head of governments has been based far too much on reaction to the weakness of the dollar which was not entirely thought through. It has also been based on a misconceived hunch that the rise in world unemployment has been due to floating rates. It is misconceived because it overstates the role of monetary uncertainty and underplays real causes such as badly working labour markets and reluctance to adjust to new world trade patterns. It also vastly exaggerates the role of floating rates in generating monetary uncertainty itself.

Exchange rates are merely a transmission for erratic, unpredictable and inflationary monetary policies originating at home. To attempt a cure at the exchange rate end is the usual mistake of trying to suppress symptoms.

Even at this late hour, a shift of priorities towards harmonising underlying economic policies around a low inflation goal and waiting for exchange rates to come together in the market place, could still be made. If not, the errors of the past are likely to repeat themselves again and again, and again and again.

Samuel Brittan

## REQUIREMENTS FOR FIXED EXCHANGE RATES

	Money supply growth relative to world average (% annual rate)	Inflation rate relative to world average (% annual rate)
United States	-5.6	-1.6
Japan	8.2	3.6
France	0.6	-0.7
West Germany	3.1	0.6
Italy	0.4	n.a.
U.K.	-4.3	-1.6

Source: Monetary Targets and The World Economy, by Alan Budd and Terry Burns (London Business School, Sussex Place, Regents Park, London, NW1).

£660m more than it is receiving. But as Mr. Healey recognised at an early stage, such structural questions are largely distinct from the monetary side. Even if the whole of this budgetary deficit could be magically removed overnight, incompatible economic policies in member countries could still lead to currency stresses and payment crises.

The British side is very well aware that worthwhile changes in the Budget and the CAP cannot possibly be negotiated in the next few weeks. If some statement of principle can be made at the EEC summit on December 45 and £100m or £200m a year extra can be made

to the Special Drawing Rights. But the much more important question is: Against what underlying rate of inflation or growth of monetary demand should this symmetry be arranged? If the D-mark approaches the upper limit, should Germany adjust its inflation rate upwards?

Symmetry is a futile slogan without some long-term monetary and inflation targets for the Community as a whole. At present there is agreement neither on aims nor on means (such as the role of monetary targets versus pay controls) nor on the technicalities of monetary co-ordination itself. Commission experts have been

## Letters to the Editor

### The outlook for roads

From the Chairman, Watford Road Safety Advisory Committee

Sir—I read with interest your report of the Financial Times Conference on International Transport (October 3). I feel, however, that some reply is necessary to Professor Forster's comments that change from 38 tonnes to 44 tonnes maximum lorry weight would give energy savings of between 4 and 7 per cent.

Not knowing the basis upon which he arrived at his conclusions I cannot dispute them but I am extremely conscious of and concerned about the effect on British roads the weight increase would have as a result of Professor Forster's view was accepted.

With the present cut-back on local authority highway expenditure, both on new schemes and far more importantly, on maintenance work, a situation likely to continue for the foreseeable future, Professor Forster's proposals would mean further serious damage to Britain's roads without the consequent repair funds being available and can only result in deteriorating highway standards.

Any such savings on fuel costs would look insignificant when compared to the high costs (both direct and indirect) of repairs and personal injuries sustained as a result of these lorries damaging our roads. This is why organisations with an interest in promoting road safety view with concern any proposal to increase lorry weights.

Councillor B. S. Walker, 83, Berry Avenue, Watford, Herts.

employer-based schemes—and to their advantage. The point I would like to emphasise is the nature of things: a broadly based scheme, for example a state scheme, has financial advantages and potentialities that a narrowly based scheme, for example for an individual or a company, cannot hope to match.

Reform Club, Pall Mall, SW1.

Raymond Nottage

### Trade with Turkey

From the Chairman, Textile Industry Support Campaign

Sir—D. J. Walsom (September 27), complained of threatened trade sanctions by Turkey as a result of a restriction that the EEC has recently placed on imports of Turkish cotton yarn to the United Kingdom.

Mr. Walsom should know that Turkey had entered into an arrangement that she would limit her exports of yarn to us at a certain level. It was only after this level had been exceeded by 50 per cent that the restriction was made.

Ideological arguments for and against free trade have been aired but the fact is that the UK has one of the most liberal trade policies in the world and we should not be condemned when we stand up for the sanctity of contracts. Mr. Walsom should consider this an indicative of the hazard of trading with Turkey and beware!

G. Briggs, Thorncliffe, 115, Windsor Road, Oldham, Lancs.

### Small businesses and banks

From Mr. N. Corby

Sir—Mr. Bryson (September 28) suggests that small businesses with between 100 and 200 employees will have sufficient financial expertise to put their case to their bank satisfactorily and therefore do not need any assistance. Those with less than that number can be ignored also because they could be a bad risk.

If there are good generalisations then why did Barclays Bank create its Business Advisory Service which in its five years of life has advised well over 5,000 companies ranging from those employing only three people to those with over 1,000? Why then did Lloyds Bank follow suit last year? Let it be stressed that both these banks actually put their people into their customers' businesses—without charge—to carry out a financial survey.

Why then did the European Financial Marketing Association hold a congress on the future of banking for small businesses at which Sir Harold Wilson placed great emphasis on the part the branch manager had to play in servicing the small employer and gave delegates the distinct impression that his committee might well recommend some form of credit guarantee system when it makes its report.

In his introduction to "Money for Business" the Governor of the Bank of England said "that a businessman must be co-astate with the sources of finance appropriate to his purpose and equally must understand the attitudes and requirements of those who are to provide the funds." Mr. Gordon Richardson went on to commend the guide to "those who are not themselves experienced in the technicalities of raising funds for business."

Every business needs a financial adviser, one better to be a bank manager than a bank manager? But it should be remembered that few bankers

have run a small business as was recounted in the letter from Mr. Raymond Hinchell (September 18).

This is a problem of communication which is why any form of specialised training is to be welcomed. In no way can the clearing banks provide financial assistance willy-nilly as it is their role to lend deposits to money wisely. A banker who says to all the time may never make mistakes but that does not mean that he is a successful banker.

Mr. Bryson asks who is providing this finance? I do not know but on the day you published his letter about a quarter of the advertisements in your "Business Opportunities" page were inviting applications from businesses to seek financial help and three of those were from banks.

It is clear that the role of the bank manager as a financial adviser to his customers is growing in importance. Therefore he has to have the experience to recognise the real problems as well as a specialised department behind him.

With all that support he might be able to actually meet his customers more often.

N. D. B. Corby, 27 Old Bond Street, W.1.

### The bliss of cold sheets

From Doris Montagu

Sir—"What the well-dressed bed is wearing," the FT's main article in "How To Spend It" of September 26, was informative and pretty practical.

Let us not, however, confuse the bondage of financial and domestic expediency with an inability to accept fundamental truths. Can anything really compare with the bliss of climbing into bed between fresh linen sheets (preferably white, possibly peach-coloured) with—in winter—a plain woolen blanket beneath and one or two merino wool blankets on top.

A neatly rolled eiderdown at the foot of the bed ready to be pulled up if required and goose down filled pillows in fine linen pillow cases with perhaps a hint of embroidery (love knots, or intertwined initials) could complete the dressing—al of course, peacefully—adorned.

Doris J. Montagu, 2, Trigon Road, SW5.

### Future of the British boom

From Mr. A. Cockell

Sir—It was pleasant to read an optimistic assessment of this country's short-term prospects for a change, in Samuel Brittan's article (September 28) on the current boomlet. While, however, acknowledging the effect of the exchange rate on inflation, and on UK wholesale prices, import penetration here is not yet such as to prevent UK manufacturers from passing on the bulk of their increases in labour costs to the home market at least. In the past UK prices have also found their way getting uncompetitive regularly enough to force upon us frequent devaluations. Therefore, excessive wages and salary increases can occur this winter and the resulting inflation render our exports uncompetitive again, affecting the exchange rate as on previous occasions.

The only reason why we were saved from this vicious circle last time round was because the flow of North Sea oil coincided with IMF restrictions and because of the educational effect of these upon the Ministers responsible for our economic policy. It was almost permissible to hope then that trade unions in co-operating

with the Labour Government had learnt their lesson, after a period of wild inflation which took away the real value of large wage increases, and created a lot of imbalance in wage structures, and high unemployment.

It is surely now recognised the world over that monetary policy alone cannot bring an inflationary economy under control, when trade unions exercise a monopoly power which distorts market forces so as to transfer the pressure to the exchange rate, to unemployment, and to the average standard of living. Thus unproductive countries like Britain simply face a long and permanent decline in their standard of living, because the root problems of excessive government expenditure, a huge bureaucracy spearheaded by a competitive nationalised industries, and structural unemployment caused by highly rigid and defensive attitudes of workers, reinforced by absurdly greedy and unrealistic wage claims, are simply never tackled resolutely and at the same time. Control over the overall money supply, while essential, still permits temporary and harmful trade offs between these various evils without in any way getting rid of them.

A. R. Cockell, 13 Mayfield Road, Weybridge, Surrey.

### Best buy of the decade

From Miss C. Morton

Sir—In reply to the letter from Major E. W. S. Anderson (September 28), the BBC's World Service programme "The Best Buy of the Decade" will be available on 464m (the present medium wavelength for Radio 3) from November 23.

The monthly magazine "London Calling" gives the schedules and many details of the features that are particularly important, for example, in November the five plays on the Brontës by Christopher Fry. It is one of the best buys of the decade and a subscription (£4 for a year) can be ordered from BBC World Service, PO Box 76, Rush House, London, WC2E 4PB. (Miss) Catherine Morton, The Studio, Chaldon Herring, Dorchester, Dorset.

### Borrowing short—lending long

From Mr. J. Salter

Sir—We are repeatedly warned by your columnists that borrowing short while lending long is a certain recipe for disaster. Now that 1974-75 is safely behind us, is it permissible to ask why the building societies—who do just that—are held in such high regard? Or is this the kind of question which must never be asked, because to answer it would involve opening Pandora's Box?

J. P. Salter, 80, Foreland Road, Bembridge, I.O.W.

### Bottoms up

From Major-General J. Coule

Sir—In his gardening article (September 2) Robin Lane Fox discussed the military method of keeping moles at bay from one's lawn by planting empty soda or tonic bottles bottoms-up at the jaws edges so that the approaching enemy is diverted by the echo of his digging.

This is quite the opposite to what I was advised when stationed in BAOR in 1963 by a prominent German land-owner when I told him I was plagued with moles. He advised the planting of empty bottles,

bottoms-down, when the whistling noise of the wind blowing over the tops of the bottles would divert the moles to one's neighbour's garden and I proved this to work quite splendidly.

These, however, are defensive methods only, and bottles, whether planted bottoms-up or down, do create certain hazards when grass-cutting. I am quite happy to tolerate any Sussex moles so long as they occupy the rough areas only, but when they extend their lines of communication in the direction of the lawns, I find that attack is the best policy, by means of a charge of No. 7 shot into the mole hill when the enemy is working. But if it is effective, but also probably more humane than using moletraps.

John Cowley, The Old Post Office, Nuthurst, Horsham, Sussex.

### Losing on points

From Mr. W. Riley

Sir—I am sure the introduction of decimal currency has brought untold advantages but I was amused to read (Page 23, October 3) that "the 1p dividend will be paid along with the 0.0683p additional payment" and that last year "4,539p1 dividend was paid." Whatever happened to the nearest four decimal place or rounding up/down?

Good heavens, if they had rounded up that 0.0683p to .07 the holder of 1,000 shares would have been overpaid £2.8p, and on every 100 shares it would have cost the company £12.8, and think what that would do to the general reserve.

Are we that frightened of the 10 per cent limit? What dividend would leave to be rounded up to obtain the highest number of decimal points? Is there a limit?

W. A. Riley, 57, Hens Lane, Welwyn Garden City, Herts.

### Pitifully low productivity

From Mr. K. MacIntyre

Sir—Does unemployment have to reach the level of 20 per cent before trade unions realise that pushing up wages without a corresponding increase in productivity is suicidal for them and for the nation?

The government has brought the rate of inflation down and is striving valiantly to keep it down, but its attempt will fail if unions' policy of free collective bargaining for wages prevails. The result: a wages jungle devoid of social justice.

At the end of 1977 our national productivity was below the level of the three-day week in 1974! Pitifully low productivity, inflated wage oncosts, unemployment resulting, then a rapid fall in the sterling exchange rate are all the ingredients required for calamitous inflation.

Living standards have vastly improved for most workers, and far beyond the dreams of those who remember or experienced the poverty and deprivation of the 1920s and 1930s. But that is not to say that poverty has been vanquished or is in retreat for many old-age pensioners, people on small fixed incomes and those below the poverty line.

If irresponsible wage claims succeed then galloping inflation follows as sure as night follows day and more and more of our decent citizens will fall below the minimum subsistence level Kenneth MacIntyre, 21 Rutherford Avenue, Keltnesside, Glasgow.

## Today's Events

Department of the Environment publishes figures for housing starts and completions in August.

U.S. September figures for wholesale prices.

COMPANY RESULTS

Final dividends: Bejam Group, S. Lyles, Roman Textiles.

Interim dividends: Clive Discount Holdings, Emray, Sears Holdings, Varne Wright and Rowland, George Wills and Sons (Holdings), Wolstenholme Bronze Powders.

COMPANY MEETINGS

Best and May, Waldorf Hotel, WC, 12.20. Wm Cook (Sheffield), Parkway Street Foundry, Park-

way Avenue, Sheffield, 12. Crouch, Assembly Rooms, Maple Road, Surbiton, Surrey, 12.

Photographic, Connaught Rooms, Great Queen Street, 12. Illingworth Morris, Victoria Road, Salford, Shipley, W. Yorks, 12.

J. Jarvis, 220, Vauxhall Bridge Road, SW 11. H. Jones Stroud, Albany Hotel, Nottingham, 12.

London Merchant Securities, Winchester House, Hall 3/S, 100, Old Broad Street, EC, 12. Malaysia Rubber, 1-4, Great Tower Street, EC, 12. Melody Mills, Grand Hotel, Leicester, 11. Owen and Robinson, Registered Office, Sconeine, York, 3. Reliance Knitwear, Ryburn Hill, Hanson Street, Halifax, 12. Steinberg Grosvenor House, Port Lane, W, 12. Wagon Industries, Midlands Hotel, Birmingham, 11.

# DON'T WASTE YOUR TIME IN SOUTH AMERICA.

It's a reasonable assumption that any businessman planning a trip to South America would rather spend his time doing business than sitting about in airports.

But if your itinerary involves travel to a few major South American cities that is exactly what you could end up doing.

Fly Aerolineas Argentinas, after all we know the interior of South America better than anyone else.

We fly 747s and 707s direct to Rio and Buenos Aires with connecting flights to 46 other South American cities.

We have up-to-the-minute information on flights, times and connections. And you can book everything here in England.

So, next time you're flying to South America

fly Aerolineas ARGENTINAS



# COMPANY NEWS

## News Intl. up £1.2m so far despite lost production

FOR THE first half of 1978 taxable profit of News International advanced from £7.9m to £9.05m on turnover ahead from £78.75m to £84.4m. The profit includes a £1.06m loss from associates compared with a £1.24m deficit last time.

Directors say the results can be considered satisfactory in view of the losses from industrial action. In spite of further industrial action in the current half year they are cautiously optimistic regarding the full year's profit. For all last year a record £18.15m was achieved.

After tax of £5.63m against £5.25m net profit was £3.45m (£4.05m) before extraordinary profits of £51,000 (£44,000). Earnings per 25p share are given at 17.15p compared with 20.15p. The tax charge is proportionately higher because no relief is obtainable on the losses of the U.S. associate.

As known, the interim dividend is up from 4p to 4.5p. Last year a 4.5p final was paid.

A spokesman later said that but for industrial disputes it seems likely that News International profits would have topped £10m in the half year.

During the six months a total of 28m copies had been lost by the group—mainly as a result of industrial action affecting the Sun.

To date there had been little improvement on the industrial relations front.

The group results took account of £1.3m for the share of losses in the U.S. The spokesman said the U.S. company would still be in the red over the second half of the year although hopefully at a lower level than the opening six months.

See Lex

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Cope Allman	24	4	Moran (Christopher)	25	8
F.C. Finance	26	8	News Intl.	24	1
Finlay Packaging	25	6	Ricardo Engineers	24	1
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## Hiltons doubled midway

ON TURNOVER, excluding VAT, of £4.87m against £4.04m taxable profits of Hiltons Footwear for the 26 weeks to July 28, 1978, virtually doubled from £203,371 to £407,833.

A second half profit of £223,000 last year boosted the full year's figure to a peak £1,000. The directors say that while trade continues to improve, it is clear that profits for the full 1978 year will not show the same proportionate increase as has so far been achieved.

After tax of £223,000 (£117,000)

earnings are shown as 4.48p (£1.6p) per 20p share and the interim dividend is stepped up to 1.5p (£1.35p) net. Also announced is an additional dividend of 0.0365p for 1977/78 on the reduction of ACT. Last year a 3.7p final was paid.

There is to be added an extraordinary credit of £885,977, being the surplus after tax, on the sale of shop property. The amount retained was £223,319 against £39,096.

comment

Hiltons has had a very good first half with pre-tax profits almost doubled on an increase in sales of a fifth. Footwear prices rose around 10 per cent, continuing at the rate established in 1977, so Hiltons saw an increase in volume of about 4 per cent. In the second half sales growth is likely to slow down to around 15 to 17 per cent but even so full year profits could still grow to £11m pre-tax—a 37 per cent jump. On that basis the shares at 106p, up 5p yesterday, stand on a fully taxed prospective of 8 and a 10 per cent increase in the dividend indicates a yield of 7.6 per cent, though Hiltons is hoping to improve on this under the new Treasury guidelines. The rating is not demanding, but it is a very competitive industry though the multiples, such as Hiltons, are setting a larger slice of the market.

UTD. BISCUITS

The supplementary dividend from United Biscuits (Holdings) on account of 1977 is 0.0275p per share and not 0.00275p as reported with the group's first-half results on September 16.

TALBEX

The Board of Talbex Group has seen the statement issued on Tuesday by the directors of Rocking and Horton, and is considering the position.

## Packaging drop leaves Cope Allman off £0.4m

WITH TURNOVER some 9 per cent higher at £138.91m pre-tax profit of Cope Allman International ended the July 1, 1978, year down from £9.7m to £9.18m. Last year's record profit included a £34,000 exceptional and non-recurring profit.

Directors point out that before the exceptional profit the result represents an improvement on the first half shortfall of £404,000 and that the second half profit of £5.44m shows a small gain on the same period in 1976-77.

As indicated at halfway, the major disappointment in the year was the packaging division where uncertainties as to market demand prevented major customers from building stocks. This was particularly marked in the dispenser products group in continental Europe.

The recent consumer spending increase has yet to manifest itself to any great degree in sales and profits of this division, directors say, although the last quarter of 1977/78 did show an encouraging improvement, leaving profits down some 35 per cent at £3.2m compared with the 50 per cent mid-way drop.

All other divisions improved operating profits, particularly the leisure, where the amusement machine business in Australia came through strongly and helped counteract a further disappointment in performance in the bicycle business.

For the future they say the results for the early months of current year continue the improvement trend of the final quarter, but add that it would be premature to draw any conclusions from this about the prospects for the full year.

After tax of £2.97m (£2.67m) and minority interests of £24,000 (£28,000), attributable profit of Cope Allman came out at £5.77m against £5.85m last time.

Earnings per 5p share are

shown at 14.63p (£7.32p) and before taking account of the exceptional profit, last year's earnings were 16.84p. The final dividend of 1.962p net takes the total from 3.1361p to 5.3020p.

Reserves are to be increased £9.3m by the application of ED 19 and directors have decided to take the opportunity to eliminate intangible assets which stand in the balance sheet at £8m.

comment

Cope Allman has had a patchy record in the past and last year was no exception. After the impressive growth of 1976-77 pre-tax profits have now slipped 4 per cent before exceptional items. Packaging, which accounts for more than half group sales, is the big headache. Profits here fell by more than one third, though before redundancy and setting up the figure is closer to a fifth.

The major problems were in France, where previous overstocking by customers of the group's aerosol valves allowed demand and prevented price increases. Much of the overcapacity has now been removed and while it is unlikely to regain its former levels, demand should at least settle down. Engineering profits marked time, held back on the switchgear export side by a stronger pound, while fashion of recent years' poor sales has been a constant contribution. The best growth prospects, however, seem to lie in leisure where profits last year climbed 37 per cent. With a more flexible policy by the Government, Bell-Fruit machine rents were increased, but the opening of new gambling casinos (Atlantic City in the U.S., for example) may take time to show through in increased profits. At 71p the shares are on a p/e of 4.7 and yield 7.6 per cent.

For the year, capital spending totalled £13.2m and helped counteract lower margins with increased productivity. Cash flows were augmented by additional borrowings of some £2m. Facilities available to the group have recently been enlarged and steps have been taken to increase the long-term component of its debt.

The acquisition of Sunbeam Plastics Corporation of the U.S. for £3m just after the year end was financed mainly from the existing cash reserves.

The 37.58 per cent owned Capsaels increased pre-tax profit from £1.46m to a peak £1.58m on sales of £19.71m (£18.04m). After tax of £582,000 (£412,000), attributable profit came out at £903,000 (£1,043,000), and earnings per 5p share are given at 8.33p (£7.83p). The final dividend of

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For the year, capital spending totalled £13.2m and helped counteract lower margins







## MINING NEWS

## The R73m shaft at Vaal Reefs

BY KENNETH MARSTON, MINING EDITOR

SHAFTS at South Africa's deep level gold mines must rank among the wonders of the mining world, if only in terms of cost. The new No. 9 shaft at the Vaal Reefs gold-uranium complex will require some R73m (£32.5m) before allowing for any likely escalation by the time it is commissioned in 1983.

Speaking at the ceremonial first blast to mark the start of shaft-sinking operations Mr. Denis Etheredge, chairman of the Anglo American Corporation's gold division, pointed out that the new shaft is the eighth to be sunk by the group in the 1970s. "Many of these are a direct result of the increase in the gold price which began in late 1971, but all represent our great confidence in gold."

The huge new shaft, which is about the same size of the No. 3 shaft being put down at Freet State Geduld, will go down to 2,304 metres (1,431 miles) to become the largest single lift shaft in the world. It will contain eight hoisting compartments within its 10.6 metres diameter. Its surface installations include a refrigeration plant to cool water and air for use underground and a hostel for 6,000 black employees. Married quarters at other shafts are being increased and will also serve the new shaft.

After commissioning, the shaft will build up to a capacity of 180,000 tonnes of ore per month which can be increased in due course by a further 100,000 tonnes. This is all part of Vaal Reefs' major expansion programme from its present treatment capacity of 600,000 tonnes per month.

The mine's uranium plant, which treats some 405,000 tonnes of slimes a month should have an expanded capacity of 1,200 tonnes per month by the end of 1979. In the case of R85m, Vaal Reefs is spending an average of R20m a month on working costs plus more than R7m a month on capital projects—a total of almost R27m a day.

Capital spending for the current year is estimated at R72m, of which R47m will go towards the uranium expansion. The high level of spending will continue next year but will fall off from 1980 onwards. Despite this, Vaal Reefs was able to boost its recent interim to 100 cents from 55 cents a year ago when there was a final of 60 cents.

Also doing well is Southvaal Holdings which draws a royalty of 55 per cent on working profits made from the south lease of the Vaal Reefs complex. Southvaal's uranium profits should increase considerably when the new uranium plant is commissioned in the third quarter of next year as part of the major expansion of Vaal Reefs uranium treatment capacity.

In London yesterday, Vaal Reefs rose 4 to 515 and Southvaal were up 4 to 572p in a generally buoyant sharemarket following a fresh advance in the bullion price to a record £222 1/2 per ounce.

## BISICHI TO BUY OFFICE BLOCK

AGREEMENT HAS BEEN REACHED

## BIDS AND DEALS

## ICI acquires 29% of Ellis &amp; Everard

BY ANDREW TAYLOR

Unilever has sold the major part of its 31 per cent stake in Ellis and Everard—acquired during an abortive takeover bid in 1973—to ICI in a £22.5m cash deal.

ICI, which has bought a 29 per cent holding in the chemical distributor, said last night that it does not intend to use the stake as a springboard for an outright bid.

The ICI stake is to replace a 30 per cent holding in Everard's chemicals subsidiary which ICI is selling back to the parent group for £14m. This is double the price ICI paid to acquire the holding in 1974—when Everard was short of cash. The deal however is on virtually the same earnings multiple at which ICI acquired the stake.

These latest share deals were sparked off by Everard's decision to sell its troubled builders' merchants division to Travis and Perkins.

Unilever's bid five years ago was prompted by its interest in the builders' merchants side—but it has decided to sell its holdings following the decision to sell this business. Unilever, which paid around £32m for the stake, has made a £1m loss on the deal.

Everard concentrates on supplying chemicals in small quantities to a wide range of industries—a type of business that majors like ICI find uneconomic.

ICI is Everard's largest supplier providing around 32 per cent of the group's chemical requirements. Mr. David Wells, an Everard director and company secretary, said yesterday that he did not expect ICI would take any larger share of the group's business as a result of the latest deal.

An ICI spokesman said that if the group had bought any more than 29 per cent it would have triggered a full bid under City Takeover rules—this ICI did not want to do.

Last year chemicals generated trading profits of £900,000 while building profits had slipped to £75,000. This compares with the heavy days of the building boom in 1973 when this side of Everard's business contributed 78 per cent of profits.

## TRIDANT ADVICE

In the face of a higher offer from Argus Press the directors of Trident Group Printers are now advising shareholders to "take no action" on the takeover bid from Starwest Investments, which is owned by Mr. Remo Dipre.

The Trident directors had been recommending shareholders to accept the Starwest terms which values the company at £3.5m but this was before Argus—a wholly-owned subsidiary of British Electric Traction—came forward with its bid valuing Trident at £4.5m.

Meanwhile there has been no reply from Starwest to the higher bid, which started its campaign with a 29 per cent stake in Trident.

## BJN PREFERENCE

Hoechst UK, which owns all the ordinary capital of Berger Jeunon and Nicholson, is making an agreed offer for the 998,554 7 per cent cumulative preference shares at 81p each.

## Ahead of today's annual meeting of Dinox Photographic, on page 32 the Financial Times examines the group's prospects for renewed expansion. Growth last year was held back by disappointing results from the Westons acquisitions. This setback helped knock the share price from an all-time peak of 176p in January, to a 1978 low of 124p earlier this week.

## Redland U.S. acquisition will cost \$26m

Redland has agreed to buy Automated Building Components of Miami, Florida, in the U.S. for about \$26m.

The agreement in principle was announced in June but now firm contracts have been exchanged and the deal will become effective on January 3.

The agreement is subject to approval of ABC shareholders and various governmental consents. ABC manufactures fasteners for roof and floor trusses.

## BMCI PROFITS FROM WESTON EVANS STAKE

Birmingham and Midland Counties Trust, the private company at the centre of the tussle over Johnson and Firth Brown's bid for Weston Evans, has apparently made a gross profit of £1,500 out of the 42 per cent stake it recently built up in Weston Evans.

Yesterday, as promised, BMCI sold through the market the 2.63m JFB shares it received as part of the final offer parcel. The shares were placed with institutions and stockbrokers Halliday and Simpson at a price thought to be around 68p.

In addition BMCI received £17 in cash for every 20 of its 2.3m Weston Evans shares. Together with yesterday's sale this represents a total figure of £3.8m.

BMCI acquired the bulk of its Weston Evans stake in two main transactions. 1.61m shares at 100p purchased from Barrow Hepburn, and a further 699,000 at around 100p. The total purchase cost was of the order of £24.6m.

## GARNAR BIDS £0.34M FOR A. T. KINSWOOD

Garnar Scotland is making an agreed £340,000 bid in cash and shares for A. T. Kinswood and Co. a public unquoted company manufacturing and dealing in exotic leathers. This would make it Garnar's third acquisition in three months.

The deal will increase the range of specialised light leather goods which Garnar offers, making the marketing and distribution more effective, said Sir Kenneth Newton, chairman and chief executive of Garnar Scotland, yesterday.

Garnar announced an offer for Leicestershire Butchers' Hide Skin and Fat Company and bought Thomas Dunlop and Sons (Kilmarnock), a tannery business, in July.

Shareholders of a majority of the equity of Kinswood have already agreed to accept Garnar's offer. The consideration is £237,500 in cash and 100,000 shares at 2p at 101p yesterday, and £72,500 cash. The net tangible assets of Kinswood at December 12, 1977 amounted to £292,542 and pre-tax profits for the year to that date were £97,239.

## EPIQUEUR SELLS RESTAURANT

The sale has been completed by Epicure Holdings of A L'Ecu de France, owners of the restaurant of the same name in Jermyn Street, London.

The purchaser is Villalodge, a private company incorporated in England and maximum consideration is £136,828 cash, of which £406,629 has already been paid.

The balance will be paid when the exact value of the stock, including food and wines, at the date of completion has been calculated.

Villalodge will be managed by Sommer Hotel Company, which has restaurant interests in Bermuda and the U.S. and has management contracts with international hotels.

Book value of the assets of A L'Ecu de France is £130,128 and the disposal will give rise to a capital profit of £27,700 before capital gains tax. In the year ended June 30, 1978 audited profits before tax attributable to the assets which are the subject of the sale were some £70,000.

The sale proceeds will be applied in reducing the Epicure group's bank borrowings, thereby strengthening the balance sheet. Villalodge has undertaken to make offers of employment to all existing employees of the restaurant.

Mr. R. Catzada, who will remain managing director of Epicure, will be retained by Villalodge as a consultant.

Directors of Epicure and advisers, Grindlay Brundage, consider the transaction to be in the best interests of Epicure and its shareholders. Circulars setting out full information will be posted to shareholders in the near future.

## NORTHERN FOODS BUYS 9.7% OF GOLDFREI

Northern Foods, which is making an agreed bid for Ch. Goldfrei Foodcare and Son, has purchased a 9.7 per cent stake in the company.

Northern already has irrevocable undertakings from the Goldfrei Board and family which amount to 94 per cent of the equity, so yesterday's purchase gives it effective control of 44 per cent of the shares.

The vendor has not yet been revealed but the family large shareholder apart from the family is MacCormac Products which was known to have a 8.24 per cent stake.

## MIDLAND EDUCATIONAL

The directors of Midland Educational have forecast a 10 per cent dividend increase as part of the defence against a £2.2m bid from Pentos. In its defence document ME says that it intends to recommend dividends totalling 5p net in the current year—compared with the 4.71p paid last year.

ME also says that the bid undervalues the company's assets and does not take into account ME's profits record. The shares rose 7p to 185p yesterday.

## TILLING/SASLOW

D. L. Saslow Co. Inc. has entered into agreement with Thomas Tilling, under which Tilling will acquire Saslow for \$19m cash or \$12.25 per share.

The transaction is subject to approval by Saslow shareholders and necessary regulatory approvals and consents.

Because of an agency error, yesterday's story on Wagon Industrial Holdings buying Cotswold Coach Craft stated that the total consideration was £500,000. In fact the price was £400,000.

## MINING BRIEFS

BISICHI-JANTAR (NIGERIA)—August output (tonnes), tin, 23.34, columbite 19.72. Eight months to date: tin, 245.39, columbite 232.49. Same period last year: tin, 260.11, columbite 245.40. GOSWAMI MINES—Output of concentrates (72 per cent grade) for August: tin, 54 tonnes, columbite, 1 tonne. Eight months to August: tin, 191 tonnes, columbite 3 tonnes. Same period last year: tin, 213 tonnes, columbite 5 tonnes. (August, 121 tonnes)

## Dollar Land plan to settle out of court

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

SHAREHOLDERS OF Dollar Land Holdings have been locked into an unquoted company embroiled in increasingly tangled transatlantic litigation for more than a decade. Today the Board published details of a proposed settlement that would end the legal battles.

The complex scheme would also leave a cash rich business with no British properties, one-income producing Canadian property, a United States subsidiary with mortgage income, and overall a company with net assets per share of 84p and a commitment to seek an early reorganisation of the shares on the Stock Market.

In a letter to shareholders posted last night Mr. Hugh Brackett, the chairman, explains of the proposed settlement. In essence, the proposals mean that Dollar Land's main legal opponent, the Atlas group of shareholders—who control just over a quarter of the company's shares—would drop the legal action claiming a total of U.S.\$3.9m (£2m). In return, Dollar Land would settle all claims by paying Atlas a net U.S.\$900,000 (£453,000). This payment would be a purely paper transaction involving the transfer of ownership to Atlas of a 25 per cent share of the company's U.S. mortgage loans.

These proposals, amplified and extended to cover and to settle the morass of legal entanglements spawned over the past 10 years, have been agreed by Dollar Land's directors and by the trustees of the Atlas shareholders.

Although this agreement would be sufficient to complete the settlement formally, Mr. Brackett, like earlier chairmen, has in the past given his word to take any proposed settlement to Dollar Land's shareholders for their approval.

To fulfil that promise the Board is adding the proposals to the agenda of the company's annual meeting on October 27, and the settlement agreement will be put to a vote of shareholders.

Mr. Brackett, who has been the company's accumulated losses, its Canadian and U.S. assets and its British property sales. But these are relatively insignificant set against the Atlas claims, and the chairman is hopeful that the remaining court actions will bring in around U.S.\$200,000 (£100,000) in the next few months.

He comments that the Atlas settlement "would remove the major difficulty as regards the Board's ability to reorganise the company's shares."

If the settlement is agreed on October 27, and the remaining litigation settled on schedule, Mr. Brackett hopes to be able to apply for a reorganisation of the shares by next summer. That assumes that the company's accumulated losses, its Canadian and U.S. assets and its British property sales. But these are relatively insignificant set against the Atlas claims, and the chairman is hopeful that the remaining court actions will bring in around U.S.\$200,000 (£100,000) in the next few months.

Dollar Land also published its 1977 accounts yesterday showing a year's loss down from £26,500 last year (261p at February 28, 1978). The accumulated 1978).

mends shareholders to vote in favour.

The settlement proposals should increase shareholder interest in the AGM, which had already begun to look like being a fairly dramatic occasion because of warnings that directors' re-elections are to be opposed.

Mr. W. Barrett, a holder of 600 Dollar Land shares, has been told the Board of his intention to call for the dismissal of the British directors. And Mr. Brackett comments on the settlement proposals, in his letter.

He writes that: "I do not propose to indulge in any form of comment that might be construed as self-justification. All I say is this. I have worked for a long time towards a settlement of the outstanding litigation especially with the Atlas group and such a settlement is now before shareholders. If, however, they decide that it is not in the interests of the company and the resolution is defeated I shall thereupon resign from the Board."

A pro-forma consolidated balance sheet drawn up to reflect the settlement shows the group with clear net tangible assets of £2.52m, or 84p a share. This compares with recent informal trading in the shares at around 30p.

Even after the Atlas proposals the group is still involved in a number of minor legal wrangles over rents and a number of past property sales. But these are relatively insignificant set against the Atlas claims, and the chairman is hopeful that the remaining court actions will bring in around U.S.\$200,000 (£100,000) in the next few months.

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## Upsurge at FC Finance

PROFITS BEFORE tax of FC Finance more than doubled from £409,000 to £940,000 in the first half of 1978 and are approaching the £1.15m achieved for the 1977 year.

Turnover for the first half rose from £21.88m to £24.19m. The firm is after interest of £2.01m against £2.86m.

Tax takes £489,000 (£219,000) giving earnings per 25p share of 6.1p (2.5p). The interim dividend is stepped up from 1p to 1.2p—last year's total was 3p.

## First half progress by Triplevest

With a gross revenue of £1,052,558 compared with £1,015,338, net income of Triplevest progressed from £354,880 to £596,320 for the six months to August 31, 1978.

The interim dividend is raised from 2.31p to 2.44p net per 50p income share—for 1977-78, payments totalled £2.34p from £1.6m net revenue.

Net asset value per 21p capital share is shown at 343p at the half year (261p at February 28, 1978). The accumulated 1978).

The Korea First Bank wish to announce the opening of their London Branch today Thursday October 5th at Bush Lane House, 80 Cannon Street, London EC4N 6HH. Telephone: 01-626 9264. Telex: 889350



## KOREA FIRST BANK

제일은행



## London Merchant Securities Limited

Salient Points from Chairman's Review for the year ended 31st March 1978

\* Net profit attributable to LMS after tax rose from £2.6 million to £4.3 million. Net rental income rose to £2.8 million and is expected to increase progressively.

\* Net tangible assets attributable to LMS increased to £59.3 million when adjusted for the sale in July 1978 of 52% of shares in Carlton Industries. Market value of remaining investments is significantly greater than balance sheet figures.

\* Demand for good quality investment property continues and the current value of investment property portfolio attributable to LMS is considered conservatively to be some £20 million greater than corresponding book value.

\* Short-term borrowings and overdrafts were virtually eliminated on the sale of the Carlton shares.

\* The exceptional degree of liquidity and asset strength reinforces prospects for continued growth.

\* The directors recommend a final dividend of 4.6696% bringing the total for year to 6.6696% (5% last year) and a 1 for 1 free scrip issue.

Report and accounts available from the Secretary, 100 George Street, London, W1H 6DJ.

We announce the following partnership changes effective

October 1, 1978

JOHN H. GUTFREUND

has been appointed  
Managing Partner

WILLIAM R. SALOMON

has become a Limited Partner  
and honorary member of the  
Executive Committee

L. EUGENE CROWLEY

PETER M. GOTTSEGEN

GEORGE P. HUTCHINSON  
Hong Kong

THOMAS J. MARRON

LEWIS S. RANIERI

STANLEY B. SHOPKORN

CRAIG B. STEARNS

have been admitted as  
General Partners

MARIETTA TREE

has been admitted as a  
Limited Partner

NORMAN J. LEVY

have been appointed  
Special Partners

JAMES J. MCKAY

## Salomon Brothers

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London (subsidiary), Los Angeles, Philadelphia, San Francisco  
Members of Major Securities Exchanges

## BREMAR HOLDINGS LIMITED

EXTRACTS FROM  
CONSOLIDATED REPORT AND ACCOUNTS  
YEAR ENDED 31st MARCH 1978

	1978	1977	Increase
Operating profit before tax and exceptional items	£1,378,978	£835,952	65%
Shareholders' funds	£5,692,488	£5,184,714	10%

Highlights from the Statement of the Chairman, Erwin Brecher:

- \* "... an investment in the Company of £10,000 at par in 1970 would today after only eight years, have an attributable net asset value of £160,000."
- \* Substantially increased domestic banking activities.
- \* New range of corporate finance and advisory services to small businesses.
- \* Marked growth of overseas insurance business.
- \* Encouraging start to the new trading year. Several important projects are in hand and prospects for the current year are very promising.

Copies of the 1978 Report and Accounts from the Secretary, Breemar Holdings Limited, Breemar House, London W2 1PT, Telephone 01-262 5000, Telex 21969.

## BREMAR TRUST LIMITED

EXTRACTS FROM REPORT AND ACCOUNTS  
PERIOD ENDED 31st MARCH 1978

	1978	1977	Increase
Consolidated net revenue	£37,589	£11,974	*190%
Earnings per share	2.11p	0.68p	210%
Dividends declared for the period per share	1.50p	0.50p	200%
Net asset value per share	28.30p	25.02p	13%

\* After adjusting for different accounting periods. Copies of the 1978 Report and Accounts from the Secretary, Breemar Trust Limited, Breemar House, London W2 1PT, Telephone 01-262 5000.



## INTERNATIONAL FINANCIAL AND COMPANY NEWS

## NORTH AMERICAN NEWS

## Canadian disposal to boost Ashland Oil

BY OUR FINANCIAL STAFF

ASHLAND OIL has revealed that per share earnings for the year ended September 30 will exceed \$9 per share compared with \$8.60 a year ago.

Earnings will be above the \$5 level before giving effect to a gain on the sale of Ashland's 80 per cent owned Canadian subsidiary, Ashland Oil Canada, and before a loss from a possible sale of a large crude carrier. Ashland has also made a reserve against its investment in oil

The company has indicated that the sale of the subsidiary will represent a gain of about \$4 per share. Should the carrier deal be concluded and written into the results for 1978, it would reduce the net gain per share by about 60 cents.

The oil shale reserve, on the other hand, would have an after-tax effect of \$8.9m and result in a reduction of about 30 cents in the total share gain.

The 80 per cent stake in Ashland subsidiary in Canada was purchased by Kaiser Resources at a total cost of \$368m.

Kaiser and Ashland indicated in July that the transaction—at a price of \$33.50 per share—had been approved by their respective boards.

The sale was approved last week under the Canadian Foreign Investment Review Act. Kaiser intends to make a cash offer of \$33.50 per share for the outstanding Ashland Canada shares in mid-November after the redemption of Ashland Canada's 5 per cent convertible sub-

ordinated debentures. The ultimate purchase price of the Ashland Canada shares will amount to \$480m.

The acquisition is being met through existing cash balances, according to Kaiser, in addition to proceeds from Canadian bank loans. Kaiser Resources recorded first quarter net earnings for 1978 of \$13.38m; total net earnings for 1977 stood at \$67.28m, which represented net earnings per share of \$2.14.

Ashland Canada recently sold its chemical and lubricants divisions to another subsidiary of Ashland Oil. The value of this sale was approximately \$30m.

In what Ashland's board described as a prudent use of the proceeds from the sale of the Canadian subsidiary, Ashland has offered to buy back 5m shares or about 15 per cent of its common stock for \$47 a share.

The offer is valid until October 20 and is not conditional on any minimum number of shares being tendered.

The company said that if it buys less than all the shares tendered, it will purchase the stock tendered before October 20 on a pro-rata basis.

Ashland however is prepared to buy all shares tendered by individuals who own less than 100 shares as on September 25 and who have tendered all of their stock.

Ashland Oil earned a total of \$164.3m during the 1977 fiscal year, which represented a 16 per cent upturn over the previous year's \$141.3m.

## A &amp; P in deficit in second quarter

NEW YORK, Oct. 4.

SECOND-quarter results for the Great Atlantic and Pacific Tea Company came to a per-share loss of 28 cents compared with a 1-cent-per-share profit in the same period in 1977.

This amounts to a six months' loss of 68 cents per share (compared with a 13 cents profit). Net losses for the six months period total \$16.8m compared with a \$3.67m profit. Sales improved to \$2.68bn from \$2.61bn in the 1977 period.

The quarter results include a tax loss carry-forward of \$100,000 (or 1 cent per share) and the six months period includes a \$2.4m carry-forward (or 10 cents per share).

The results also include charges of \$1.4m for the quarter and a total of \$2.7m for the half from FASB 13 charges. The 1977 periods had charges of \$0.39m and \$2.3m respectively.

A further provision of \$3.9m has been included to cover the estimated losses to be incurred from the closing or sale of a number of A&P's stores.

Reuter

## THE CELANESE-OLIN MERGER

## Diversification is the key

BY JOHN WYLES IN NEW YORK

THE STOCK MARKET is by no means immune to surprises but yesterday's announcement of the proposed \$720m merger between Celanese Corporation and Olin Corporation took a lot of the wind out of Wall Street. The chemical industry is closely watched by droves of share analysts but it was impossible to find one who had even dreamed about a union which could prove to be the industry's largest ever in dollar terms.

Part of the reason is that in recent months reality has outstripped fantasy and merger proposals have been rolling in of a much greater size than had seemed possible or probable. The Celanese-Olin agreement follows closely on Standard Oil of California's \$250m plus approach to Amstar Chemical's \$180m offer for Mead and United Technologies \$18m offer for Carrier Corporation.

In common with these actual or proposed mergers, the financial attraction of Olin is fairly obvious. The likelihood of the company's profits falling from last year's \$2.24 a share to about \$2.50 had helped to depress the share price substantially below the book value of \$27.85 a share.

While the agreed merger price of \$30 a share is a substantial premium of about 60 per cent above the stock market price it is a very modest sum when set against book value and Olin's improving earnings prospect for the next three to five years. New York stock exchange last night of \$24 indicates that investors are intimidated by fears of possible anti-trust moves by the Justice Department. The \$18m offer for Mead and United Technologies \$18m offer for Carrier Corporation.

The anti-competitive implications of their union would be nil. If the merger succeeds, Celanese will be creating one of the most diversified companies with annual sales of close to \$4bn which will rank it sixth in the top 10.

The proposed \$720m merger of Celanese Corporation and Olin Corporation surprised nearly all the Wall Street analysts but its attractions now seem fairly obvious.

The prolonged weakness in the fibre market over the past seven years has left it with the poorest profitability record of any of the industry's top 10 companies. Its overseas fibre manufacturing operations in Belgium, Brazil, Canada, Colombia, South Korea,

In Olin, Celanese is joining hands with a more diversified producer which is starting to emerge from its dark days. Over the past five years the company has sought to concentrate activities on a number of product areas whose profitability was established and whose capital expenditure requirements appeared well founded.

In essence this has meant focusing on brass and chemicals and disposing of weaker brethren such as aluminium and Kraft paper. Profits reached a record high last year but in the past nine months Olin's business has been hurt by strikes

Mexico, Peru and Venezuela have had an even more difficult time and their losses are estimated to have cost the company \$1.18 per share last year. Considerable progress has been made in the last nine months in reducing these losses but a substantial profits advance is being inhibited by an indifferent per-

## GM margins setback

BY OUR FINANCIAL STAFF

PROFIT MARGINS for General Motors Corporation are expected next fiscal year to be another good one.

Mr. Murphy said that GM estimates that the cost per car which are not recoverable in the present competitive market will rise to \$100 this year. This results from such economic factors as labour costs.

Capital spending by GM will be a further 14 per cent of 1977 sales of \$2.6bn last year, and the company expects the

## Argus raises stake in Hollinger Mines

BY ROBERT GIBBENS

MONTREAL, Oct. 4.

ARGUS CORPORATION, the major Toronto holding company which controls Massey-Ferguson, has acquired a further 115,000 shares of Hollinger Mines, raising its voting stake to just over 26 per cent from 23.9 per cent.

Argus has also taken an option on a further 14 per cent of Hollinger's voting shares for a period of five years from

Hollinger shareholders. Argus, which is now headed by a group led by Mr. Conrad Black, had indicated that there would be changes in its portfolio. The company, through its minority holdings, controls several Canadian companies with total annual sales of well over \$360m. These minority interests include Hollinger, a mining company, and built on the old Hollinger gold mine in Ontario.

minority holdings might be increased. Besides Massey, the main holdings are Donair, a major pulp and paper chemicals group, Dominion Stores, one of Canada's largest food retailing groups, Standard Broadcasting, a large communications company, and Hollinger, a mining company.

Mr. Black has suggested that the

## Corco studies changes in Charter's takeover terms

SAN ANTONIO, Oct. 4.

MR. EDWARD D. DOHERTY, president and chief executive officer of Commonwealth Oil Refining (Corco), said yesterday that continuing discussions with Charter Company of Jacksonville, Florida, have resulted in a modification of certain of the terms of the Charter proposal to acquire control of Commonwealth Oil.

The most important modification under discussion with Charter, Mr. Doherty said, was the exchange of common shares of Commonwealth for common shares of Charter. Under the modification, Commonwealth preferred shareholders would also exchange shares for a similar security of Charter.

It is understood that Charter also intends to revise its original offer to certain Commonwealth creditors. Commonwealth Oil has been advised that details of such revisions have not yet been fully developed.

Mr. Doherty said the modifications in the Charter proposal were still at the discussion stage and that no agreements had been reached nor commitments made by either Commonwealth Oil or Charter.

Commonwealth said yesterday that in view of the modifications

proposed by Charter it was reserving judgment on a competing bid by the Arabian Seacell Corporation which is led by Lebanese-born Mr. Roger E. Tamraz. As previously reported, Commonwealth directors had decided to meet last Friday to consider that proposal.

However, a spokesman for the Tamraz group said yesterday that as far as he was concerned the Arabian Seacell offer had expired. He said the group had given Commonwealth until 21.00 GMT Monday to act on the offer. "We were surprised our offer was not accepted," the spokesman said. "Now we are going to sit on the sidelines and evaluate the Charter proposal and decide what we are going to do."

Sources close to the takeover negotiations said that Commonwealth had advised the Tamraz group that Charter's revisions improve the rights of Commonwealth shareholders and creditors, and that it therefore could not accept the Tamraz proposal by the deadline.

Charter officials said they had discussed such revisions with Commonwealth in the past but last Friday was the first time they had been brought before Commonwealth's Board.

AP-DJ

## EUROBONDS DM upturn continues

BY OUR EUROMARKETS STAFF

THE DOLLAR sector of the international bond market remained calm yesterday. There was very little business and prices barely moved. In its second day of trading, the first Danubius convertible, Novo Industri, was the only primary market novelty in a scene otherwise devoid of new issues.

Its market reception has been about as good as expected — and it was quoted last night at 984-883 after having been issued at par.

Lacking dollar business, traders were casting around for other interest. Some reported continued trading opportunities in the Sterling sector, although a pessimistic mood here were a little weaker with Fisons dropping noticeably in price.

Prices in the Deutschmark sector were up for the third day running by about one quarter of a point with turnover described by dealers as good.

The Marudai Foods convertible being arranged by Deutsche Bank was offered in the market yesterday. Indicated terms of this DM50m nine-year issue include a coupon of 31 per cent and a conversion premium of 10 per cent. Final terms will be fixed on October 19.

Marudai Foods shares reached a high of ¥955 this year and a low of ¥761. The shares closed yesterday in Tokyo at ¥921.

The Nissan Diesel Motor convertible being arranged by the same bank was priced at par yesterday and pre-market trading suggested it would go to a premium today in the secondary market.

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Weekly net asset value  
on October 2nd, 1978

Tokyo Pacific Holdings N.V.  
U.S. \$71.42

Tokyo Pacific Holdings (Seaboard) N.V.  
U.S. \$52.04

Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson N.V. Herengracht 214, Amsterdam

## VONTIEL EUROBOND INDICES

PRICE INDEX	14576=100%	AVERAGE YIELD	26.78	4.1078
DM Bonds	105.78	DM Bonds	6.43	8.413
NFL Bonds & Notes	101.77	NFL Bonds & Notes	8.304	8.413
U.S. 5 Yr. Bonds	98.53	U.S. 5 Yr. Bonds	8.978	9.942
Can. Dollar Bonds	97.87	Can. Dollar Bonds	9.779	9.794

## We're welcoming a Billionaire.

Estimated 1978 Annualized Sales

3 Billion Dollars

2 Billion Dollars

1 Billion Dollars



With over a billion dollars in sales, Pet Incorporated makes quite an addition to our IC Industries family. Together we'll surpass \$3 billion in annualized sales this year.

And this year marks IC Industries 10th year of diversification. Just 10 years ago we were a \$300 million regional railroad. So what better way could we top off a decade of diversification than by welcoming Pet to our family of companies?

We're welcoming much more than a famous can of evaporated milk, too. The four Pet business groups are a part of virtually every facet of the nation's food system.

From the Milk and Dairy Products Group, Pet supplies fresh milk, evaporated and powdered milk, ice cream, fresh dairy specialties and Sego diet foods.

Pet's Convenience and Specialty Foods Group consists of Pet-Ritz and Downyflake frozen foods, Funsten nuts, Laura Scudder's snack foods and Whitman's Chocolates. It's also Old El Paso Mexican foods, Musselman's apple products, Heartland cereals, Gulf Belle shrimp and Reese specialty products.

Pet's Store Environments and Distribution Services Group supplies the retail food business with Hussmann's freezer and refrigerated display cases and also Merchants refrigerated warehouses.

And Pet's Specialty Retailing Group includes Vendome and 9-0-5 party centers, Stuckey's highway stores and Mr. Panel home improvement centers.

All together quite a company. A billion dollars in sales. A diversified manufacturer and distributor of food and other consumer products. And now, a part of the IC Industries family.

If you'd like to know more about IC Industries, write: IC Industries, Inc., European Office, 55, chemin Moise Duboule, CH-1209 Geneva, Switzerland.

## IC Industries

Diversified in five business groups: Commercial Products, Consumer Products, Real Estate, Financial Services, and Transportation.



## West German group to lift shareholding in W.R. Grace

NEW YORK, Oct. 4

The Grace concern's activities most closely coincide with the Flick subsidiary Dynamit Nobel, the chemicals division which accounts for nearly half of its turnover. Like Grace, Flick is also heavily involved in plastics.

**By David Curry**

10

## Firing the first shots

BY DAVID GARDNER IN BARCELONA

banks have been left exposed  
a declining volume of deposits.  
consolidation which has been a  
ing system over the past year

BY CHARLES BATCHELOR

AMSTERDAM, Oct. 4.

## la in diesel pact

STOCKHOLM Oct 4

Since Bofors-Nohab and Waertsila's Vassa plant in Finland both make marine and stationary diesel engines, the deal will facilitate joint production and better international marketing, the company said.

**BY OUR FINANCIAL STAFF**

Speaking on Tuesday at the International Iron and Steel Industry Convention being held in the U.S., M. Jacques Michel, deputy managing director of

## BY FRANCIS CHILDS

for four years. Other terms are so far undisclosed but this loan carries a guarantee from Abu Dhabi National Oil Company.

### Focus on Hessische Landesbank – Girozentrale –

"With total assets of DM 42 billion, Hessische Landesbank is Germany's 8th largest bank, 3rd among Landesbanks. As a government-backed regional bank, our liabilities are guaranteed jointly by the State of Hesse and its Sparkassen and Giro Association. We also act as banker to the State of Hesse, from which our name is derived, and perform clearing functions for the 52 regional Sparkassen."



**How do you see your position developing internationally?**

**Hessische Landesbank  
- Girozentrale -  
Junghofstrasse 18-26  
D-6000 Frankfurt/Main  
Telephone: (06 11) 132-1  
Telex: 04 11333**

### What about your service facilities?

"We concentrate on wholesale banking and medium to long-term fixed-rate DM lending. As a German universal bank, our facilities cover the full range of commercial and investment banking services. Because we don't operate a branch network, we can devote our time and energy to wholesale banking activities."

In recent years we have strengthened our international investment banking capabilities considerably. For example, in 1977 we participated in 289 international issues. And we provide comprehensive investment management and brokerage services, including securities trading. Our membership of the Frankfurt Stock Exchange facilitates dealing in quoted shares and fixed-interest securities.<sup>29</sup>

### And sources of funds?

**"A large part of our funding is done by issuing bearer bonds and SD Certificates (Schuldschein-darlehen). The total in circulation is more than DM 20 billion."**

**Helaba Frankfurt**  
Hessische Landesbank - Girozentrale

## BY DAVID WHITE

the same as last year's. Pre-tax profit of the parent company in the first six months of this year dropped to FFr 79m (\$18.2m) from FFr 83m in the same period of last year.

The company increased its net profit last year to FFr 160m from FFr 140m on net sales of FFr 4.02bn, up from FFr 3.58bn

STRAIGHTS	Bid	Offer	Bid	Offer	
Alaska 1984-1985	961	971	Finland 1984-1985	964	974
AMV 1984-1985	941	951	Guatemala 1984-1985	964	974
Australia 1984-1985	936	946	Guatemala 1985-1986	964	974
Belgium 1984-1985	941	951	Guatemala 1986-1987	964	974
Bermuda 1984-1985	941	951	Guatemala 1987-1988	964	974
Brazil 1984-1985	941	951	Guatemala 1988-1989	964	974
Brazil 1985-1986	941	951	Guatemala 1989-1990	964	974
Brazil 1986-1987	941	951	Guatemala 1990-1991	964	974
Brazil 1987-1988	941	951	Guatemala 1991-1992	964	974
Brazil 1988-1989	941	951	Guatemala 1992-1993	964	974
Brazil 1989-1990	941	951	Guatemala 1993-1994	964	974
Brazil 1990-1991	941	951	Guatemala 1994-1995	964	974
Brazil 1991-1992	941	951	Guatemala 1995-1996	964	974
Brazil 1992-1993	941	951	Guatemala 1996-1997	964	974
Brazil 1993-1994	941	951	Guatemala 1997-1998	964	974
Brazil 1994-1995	941	951	Guatemala 1998-1999	964	974
Brazil 1995-1996	941	951	Guatemala 1999-2000	964	974
Brazil 1996-1997	941	951	Guatemala 2000-2001	964	974
Brazil 1997-1998	941	951	Guatemala 2001-2002	964	974
Brazil 1998-1999	941	951	Guatemala 2002-2003	964	974
Brazil 1999-2000	941	951	Guatemala 2003-2004	964	974
Brazil 2000-2001	941	951	Guatemala 2004-2005	964	974
Brazil 2001-2002	941	951	Guatemala 2005-2006	964	974
Brazil 2002-2003	941	951	Guatemala 2006-2007	964	974
Brazil 2003-2004	941	951	Guatemala 2007-2008	964	974
Brazil 2004-2005	941	951	Guatemala 2008-2009	964	974
Brazil 2005-2006	941	951	Guatemala 2009-2010	964	974
Brazil 2006-2007	941	951	Guatemala 2010-2011	964	974
Brazil 2007-2008	941	951	Guatemala 2011-2012	964	974
Brazil 2008-2009	941	951	Guatemala 2012-2013	964	974
Brazil 2009-2010	941	951	Guatemala 2013-2014	964	974
Brazil 2010-2011	941	951	Guatemala 2014-2015	964	974
Brazil 2011-2012	941	951	Guatemala 2015-2016	964	974
Brazil 2012-2013	941	951	Guatemala 2016-2017	964	974
Brazil 2013-2014	941	951	Guatemala 2017-2018	964	974
Brazil 2014-2015	941	951	Guatemala 2018-2019	964	974
Brazil 2015-2016	941	951	Guatemala 2019-2020	964	974
Brazil 2016-2017	941	951	Guatemala 2020-2021	964	974
Brazil 2017-2018	941	951	Guatemala 2021-2022	964	974
Brazil 2018-2019	941	951	Guatemala 2022-2023	964	974
Brazil 2019-2020	941	951	Guatemala 2023-2024	964	974
Brazil 2020-2021	941	951	Guatemala 2024-2025	964	974
Brazil 2021-2022	941	951	Guatemala 2025-2026	964	974
Brazil 2022-2023	941	951	Guatemala 2026-2027	964	974
Brazil 2023-2024	941	951	Guatemala 2027-2028	964	974
Brazil 2024-2025	941	951	Guatemala 2028-2029	964	974
Brazil 2025-2026	941	951	Guatemala 2029-2030	964	974
Brazil 2026-2027	941	951	Guatemala 2030-2031	964	974
Brazil 2027-2028	941	951	Guatemala 2031-2032	964	974
Brazil 2028-2029	941	951	Guatemala 2032-2033	964	974
Brazil 2029-2030	941	951	Guatemala 2033-2034	964	974
Brazil 2030-2031	941	951	Guatemala 2034-2035	964	974
Brazil 2031-2032	941	951	Guatemala 2035-2036	964	974
Brazil 2032-2033	941	951	Guatemala 2036-2037	964	974
Brazil 2033-2034	941	951	Guatemala 2037-2038	964	974
Brazil 2034-2035	941	951	Guatemala 2038-2039	964	974
Brazil 2035-2036	941	951	Guatemala 2039-2040	964	

[illegible]

On September 12th, 1978, the Banco Hispano Americano's Representative Office in Tokyo was officially inaugurated by Mr. Alajandro Albert, President.

As of December 31st 1977, Banco Hispano Americano had total assets of over \$90.1 billion and deposits in excess of \$8.6 billion and a net worth of more than \$511 million was held by nearly 150,000 shareholders. It operates a nation-wide network of more than 1,100 branches and has affiliates and subsidiaries throughout the country covering a very wide range of financial and banking services. Banco Hispano Americano plays an important role in the continuing growth and development of Spain's

Internationally, the Bank is present in 26 countries through its affiliate in London (Banco Urquijo Hispano Americano Limited), the New York Agency, Paris and Cayman branches, 13 representative offices and participations in foreign banks. With the opening of the Tokyo Representative Office, Banco Hispano Americano gains a foothold in one of the world's major financial centres, providing further impetus to the Bank's expansion as it moves on towards its centennial.

FIG 1000000000

U.S. \$50,000,000

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Publications et l'Electronique S.A.  
Floating Rate Notes 1978-1983

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**STET**

ziaria Telefonica per Azioni

terms and conditions of the Notes, notice is hereby given and commencing on October 5, 1978 the Notes will bear 4% per annum. The interest payable on the relevant date, April 5, 1979, against Coupon No. 2 will be U.S.\$54,0312.

Agent Bank  
Orion Bank Limited



## INTERNATIONAL FINANCIAL AND COMPANY NEWS

## Oji and Nippon Pulp to merge

BY YOKO SHIBATA

TOKYO, Oct. 4

OJI PAPER, Japan's largest maker of newsprint and kraft paper, and Nippon Pulp Industries will merge in March next year on an equal basis, it was announced today. According to the merger plan, the new company will retain the name of Oji Paper Company.

Through the merger, both companies hope to rationalise their production lines and regain competitiveness. Japan's paper and pulp industry is faced with sluggish demand, stemming from a long-term structural recession, coupled with the recent revaluation of the yen, which encouraged an inflow of imported papers. As a result of these factors, the market price of kraft paper, Oji Paper's main line, has declined by 30 per cent over the past year.

Oji Paper was established in 1948 as one of three companies into which an older and larger concern had been divided under Japanese anti-monopoly law. Attempts were made in subsequent years to re-establish the links with the other two com-

panies, Jujo Paper and Honshu Paper. However, this would have led to a market share which might have been in excess of the anti-monopoly law requirements. Oji Paper appears to have chosen the merger with Nippon Pulp Industry as an alternative to this move. Nippon's lines of production are sufficiently different from those of Oji to avoid infringement of the anti-monopoly law. Nippon Pulp specialises in

high added-value products such as coated papers. Oji Paper is capitalised at ¥14.3bn and employs 4,453 workers. Its net profits amounted to ¥2.77bn on sales of ¥205.92bn in the business period ended last March. Nippon Pulp Industry, the 16th-ranking Japanese paper manufacturer, is capitalised at ¥4.32bn and employs 2,310 workers. It registered net profits of ¥255m on sales of ¥67.55bn in

the March business term. After the merger, the new company hopes to achieve sales of ¥370bn, which would surpass those of Jujo Paper, currently the leading Japanese paper manufacturer. The Minister of International Trade and Industry has welcomed the Oji merger plan as a step towards strengthening Japan's paper industry.

## Setback for two plantation companies

BY WONG SULONG

KUALA LUMPUR, Oct. 4

SHARP profits setbacks have been announced by a further two Malaysian plantation companies for the first half of this year, 3.7m lbs.

Because of the short supply of fresh palm oil fruits during the period, it had to pay high prices for fruit to meet its forward commitments, and this dented

Management Berhad said that its pre-tax profits fell from 992,000 ringgits to 237,000 ringgits (some U.S.\$100,000) because of a lower palm oil crop and poor prices.

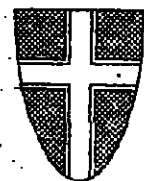
Its palm oil production was down 32 per cent to 8,260 tonnes, while prices were down by 12 per cent to 931 ringgits per tonne.

Trengganu Development and

All these Bonds having been sold, this announcement appears as a matter of record only.

NEW ISSUE

September 1978



## CITY OF VIENNA

Republic of Austria

Swiss Francs 100,000,000

4% Swiss Franc Bearer Bonds 1978-1993

Kredietbank (Suisse) S.A.

Nordfinanz-Bank Zürich

Armand von Ernst &amp; Cie AG

Gewerbekbank Baden

Banco di Roma per la Svizzera

Handwerkerbank Basel

Bank und Finanz-Institut AG

Hypothekar- und Handelsbank Winterthur

Caisse d'Epargne du Valais

Lloyds Bank International Ltd.

CIAL, Crédit Industriel d'Alsace et de Lorraine

Maerki, Baumann &amp; Co. AG

Clariden Bank

Morgan Grenfell (Switzerland) S.A.

Fuji Bank (Schweiz) AG

Sparkasse Schwyz

New Issue  
October 5, 1978

All these bonds having been sold, this announcement appears as a matter of record only.

## Konishiroku Photo Industry Co., Ltd.

(Konishiroku Shashin Kogyo Kabushiki Kaisha)



DM 60,000,000

3 1/2% Convertible Bonds due 1985

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Limited

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to the Public to subscribe for or purchase any shares.

## Sears, Roebuck and Co.

(Incorporated under the laws of the State of New York, United States of America)

Authorised  
500,000,000Shares of Common Stock  
par value \$0.75 eachIssued  
322,126,933

The Council of The Stock Exchange has admitted to the Official List all the Shares of Common Stock of \$0.75 par value in issue. Particulars relating to the Company are available in the Extra Statistical Services and copies of the statistical cards may be obtained during usual business hours on any weekday (Saturdays excepted) up to and including 19th October, 1978 from:

N.M. ROTHSCHILD & SONS LIMITED  
New Court, St. Swin's Lane,  
London EC4P 4DU

GOLDMAN SACHS INTERNATIONAL CORP.  
40 Basinghall Street, London EC2V 5DE

PHILLIPS &amp; DREW

Lee House, London Wall, London EC2Y 5AP

## Myer Emporium decline reduced in second-half

BY JAMES FORTH

SYDNEY, Oct. 4

MYER EMPORIUM, Australia's largest department store retailer, experienced a 13.8 per cent downturn in group profit from \$544.55m to \$338.49m (US\$44.76m) in the year to July 31, but the directors believe that there could be an improvement in the current year.

It is the first setback in annual results for Myer for many years, but the group reported a 23 per cent decline at the half-way mark and directors forecast that results for the full year would be lower. In the event, earnings declined by a marginal 1.1 per cent to \$338.49m.

The directors referred to a number of adverse influences on results in the first six months, including unemployment,

reduced consumer spending, intensified competition and the need to adjust stocks to match the lower rate of sales increase. They said that strong corrective action in the second half resulted in the profit decline being substantially arrested.

The annual dividend is maintained at 10.5 cents a share and is covered by earnings of 20.9 cents a share compared with 24 cents in 1976-77.

Group sales for the year rose only 5 per cent, from \$1.02bn to \$1.07bn, well below the inflation rate for the same period. The directors said that the improvement in retail sales in real terms had been sluggish, but that there were some signs

in the economy—including the drop in inflation and in interest rates—that things would improve well in to 1978.

Figures recently released show that, on a seasonally adjusted basis, retail sales for the first two months of 1978/79 rose by 1.9 per cent, compared with an increase of 1.2 per cent for the same period last year.

Myer's experience has generally been shared by other major department store retailers. Waltons and David Jones both reported substantial profit downturns, although Grace Bros. managed to lift earnings again. The discount chain stores, such as G. J. Coles and Woolworths fared much better.

## Plant disputes upset Tooheys

BY OUR OWN CORRESPONDENT

SYDNEY, Oct. 4

TOOHEYS, The New South Wales brewery in Sydney which cost \$947m, or \$57m more than estimated. Difficulties in commissioning the new plant were greater than had been expected because of the previous year's jump in market share to 40 per cent in the year to July 31 rose only 2.3 per cent, from \$88.5m to \$90.8m (US\$8.1m) on an 11.8 per cent rise in turnover from \$218m to \$244m (US\$22.2m).

The directors said that this was a disappointing result and mirrored a year of frustration in industrial disputes concerning which profit failed to reach its budgeted level. The main problem centred around the new

brewery in Sydney which cost \$947m, or \$57m more than estimated. Difficulties in commissioning the new plant were greater than had been expected because of the previous year's jump in market share to 40 per cent in the year to July 31 rose only 2.3 per cent, from \$88.5m to \$90.8m (US\$8.1m) on an 11.8 per cent rise in turnover from \$218m to \$244m (US\$22.2m).

This left the new brewery with insufficient capacity to meet demand and forced a further \$50m to be spent on expansion.

The directors indicated that the transfer of operations to the new brewery created excessive redundancy plans, but these had now abated.

The wine division gained a

greater share of the market although the profit contribution rose only marginally to \$1.9m. Budgets for the current year expect this division to lift earnings significantly as a result of a concerted campaign to promote the wines.

Tooheys' share of the beer market improved slightly to 42 per cent in bulk form and 45 per cent of the packaged markets.

The annual dividend is held at 7 cents a share and is covered by earnings of 15 cents a share, compared with 14.5 cents in 1976-77. Allied Breweries of the UK owns about 23 per cent of Tooheys.

## General Property Trust to raise \$A15m

BY OUR OWN CORRESPONDENT

SYDNEY, Oct. 4

GENERAL PROPERTY Trust, the listed property wing of the building development group, December.

The basic income payable to unitholders would be lifted from 8.5 per cent to 9.25 per cent for the half year. Assuming that the current trend of rental income continued, the distribution for the year to December, 1978, and will take the total raised should rise to at least 13.9 cents since then to \$577.4m.

The latest issue will be on the basis of one-for-five. The units will be issued at \$1.35 each which compares with the latest \$25m debentures by CSR market price of \$1.65.

The directors said that based 16 opened yesterday, and was on the current trend of rental immediately closed when over-income the Group's distribution subscriptions exceeded the limit

rate would be at least 6.8 cents of \$5m, the company announced. This will mean partial allotment of some applications.

The issue, totalling \$30m, included an offer of conversion to holders of \$32.4m of maturing debentures.

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The issue, totalling \$30m, included an offer of conversion to holders of \$32.4m of maturing debentures.

## CLIVE INVESTMENTS LIMITED

1 Royal Exchange Ave. London EC3V 3LU. Tel: 01-253 1101  
Index Guide as at September 26, 1978 (Base 100 at 14.1.77)

Clive Fixed Interest Capital ..... 129.70  
Clive Fixed Interest Income ..... 114.31

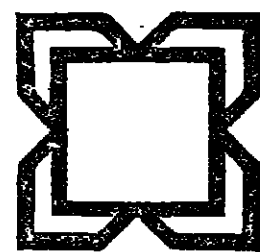
ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.  
45 Cornhill, London EC3V 3PB. Tel: 01-623 6314  
Index Guide as at September 28, 1978

Capital Fixed Interest Portfolio ..... 106.00  
Income Fixed Interest Portfolio ..... 100.00

These securities having been sold, this announcement appears as a matter of record only.

NEW ISSUE

October 1978



Kuwaiti Dinars 7,000,000

## Development Bank of the Philippines

8 1/2 per cent. Guaranteed Bonds due 1990

(redeemable at the option of the holders in 1985)

guaranteed by

## The Republic of the Philippines

Kuwait International Investment Co. s.a.k.

Abu Dhabi Investment Company

Merrill Lynch International &amp; Co.

Algemene Bank Nederland N.V.

Banque Nationale de Paris

Dillon, Read Overseas Corporation

Manufacturers Hanover Limited

The National Commercial Bank

Wardley Middle East Limited

Saudi Arabia

American Express Middle East Development Co. S.A.L.

Arab-Malaysian Development Bank, Berhad

Arab Trust Company K.S.C.

Burgan Bank S.A.K., Kuwait

Citicorp International Group-Bahrain

Financial Group of Kuwait K.S.C.

The Industrial Bank of Kuwait K.S.C.

Kuwait International Finance Company S.A.K. "KIFCO"

Alahli Bank of Kuwait (K.S.C.)

Al Saudi Banque, Paris

Arab African International Bank Cairo

Arab European Financial Management Company s.a.k.

Arab Finance Corporation S.A.L.

The Arab Investment Company SAA (Riyadh)

Arab Investments for Asia (Kuwait) K.S.C.

The Arab and Morgan Grenfell Finance Company Limited

B.A.I.I. (Middle East) Inc.

Bank of Lebanon and Kuwait S.A.L.

Bayerische Vereinsbank International S.A. Luxembourg

Byblos Arab Finance Bank (Belgium) S.A.

Byblos Bank S.A.L.

Den Norske Creditbank

European Arab Bank Ltd.

Euro-Kuwait Investment Co. C.S.C.

Gefinor Finance S.A.

The Gulf Bank, K.S.C.

Gulf International Bank B.S.C.

Korea Kuwait Banking Corporation

Kuwait Financial Centre S.A.K.

Nederlandse Creditbank N.V.

Riyad Bank Limited

J. Henry Schroder &amp; Co. S.A.L.

Société Arabe Internationale de Banque (S.A.I.B.)

Union de Banques Arabes et Européennes—U.B.A.E. Société Anonyme

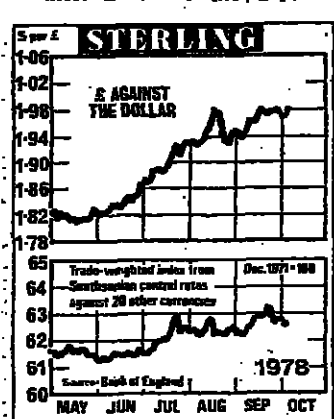
Wood Gundy Limited



## Currency, Money and Gold Markets

## Dollar recovers in late trading

Conditions in yesterday's foreign exchange market tended to be patchy with no clear trend showing through. The dollar opened sharply lower in active trading with business petering out towards midday and then increasing towards the close. The U.S. currency received support from the Swiss National Bank and after opening at SwFr 1.56, the Swiss franc saw a lot of trade at SwFr 1.5600-1.5625 and was visibly prevented from appreciating any further. Later in the day, U.S.



Federal authorities entered the market and the dollar leapt to SwFr 1.610 at one point before closing at SwFr 1.5925, compared with Tuesday's close of SwFr 1.5730.

The West German mark touched a record high against the dollar at DM 1.9007 before closing at DM 1.9017, little changed from its previous close of DM 1.9115. Using Morgan Guaranty figures at noon in New York, the dollar's trade-weighted average depreciation widened to 9.6 per cent from 9.2 per cent. On a similar basis the Swiss franc's appreciation fell to 92.9 per cent against 96.7 per cent. The strength of the D-mark again caused problems for the weaker members of the snake although there appeared to be some central bank intervention to help keep these currencies above their floor level within the snake. The one notable exception was the Dutch guilder which was slightly higher, possibly aided by the high cost of short term money in Amsterdam.

Sterling opened at \$1.9700, 1977, its lowest point for the day, and rose quite quickly to \$1.9825. With the dollar still pointing with little swing coming weak, the pound touched \$1.9800 during the early part of the afternoon. However, the dollar's forward and swap dealings improvement pushed the rate accounted for \$715m.

## EXCHANGE CROSS RATES

Oct. 4	Found Sterling	U.S. Dollar	Deutsche Mark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc
Found Sterling	1.0000	1.985	3.770	371.5	6.498	3.155	4.088	1625	2.347	50.40
U.S. Dollar	0.504	1.000	1.902	187.4	4.286	1.591	2.062	819.4	1.184	25.96
Deutsche Mark	0.265	0.586	1.000	98.54	2.254	0.837	1.094	430.9	0.622	15.76
Japanese Yen	2.692	5.356	10.15	1000	22.87	8.493	11.00	437.5	6.316	159.9
French Franc	0.157	0.233	0.447	437.2	1.000	0.313	0.401	151.2	0.216	5.45
Swiss Franc	0.317	0.628	1.195	117.7	2.693	1.000	1.296	514.9	0.744	18.83
Dutch Guilder	0.245	0.486	0.922	90.89	2.078	0.772	1.000	397.4	0.574	14.55
Italian Lira	0.616	1.220	2.321	236.7	6.231	1.942	2.516	1000	1.444	36.57
Canada Dollar	0.426	0.845	1.607	168.3	3.621	1.345	1.742	692.3	1.000	25.31
Belgian Franc	1.684	3.338	6.347	625.4	14.21	5.311	6.881	2735	3.950	100

## EURO-CURRENCY INTEREST RATES

Oct. 4	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian \$	Japanese Yen
3 month term	10 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2
6 month term	10 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2
12 month term	10 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2
Overnight	10 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2

The following nominal rates were quoted for London dollar certificates of deposit: one month 8 1/2-8 3/4 per cent; three months 8 3/4-9 1/4 per cent; six months 9 1/4-9 3/4 per cent; one year 9 3/4-10 1/4 per cent. London term Eurodollar deposits: two years 9 1/4 per cent; three years 9 1/4-9 3/4 per cent; four years 9 3/4-10 1/4 per cent; five years 10 1/4-10 3/4 per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollar and Canadian dollars, 10 day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

## INTERNATIONAL MONEY MARKET

## Belgian bank rate unchanged

Belgian discount and lombard rates remained at 6 per cent after the Board meeting of the central bank yesterday. Earlier in the day the Belgian National Bank announced a further rise of 1 per cent in short-term Treasury certificates, and for the second week running this was expected to lead to a rise in the discount rate by about 1 per cent, but once again the central bank decided against making any move.

Although the market was generally surprised by the reluctance to push up the discount and lombard rates, it was suggested that the Belgian economy is in a state of stagnation, and that any tightening of credit conditions would be ill timed. The Belgian franc remained very weak against the D-mark however, and was fixed at its lowest permitted level against the German currency within the terms of the European currency snake.

## UK MONEY MARKET:

## Full credit supply

Bank of England Minimum Lending Rate 10 per cent (since June 3, 1978). Day-to-day credit was in good supply in the London money market yesterday and the authorities absorbed surplus funds by selling a large amount of Treasury bills to the discount houses. There was a small net take-up of Treasury bills to finance, but

this was outweighed by surplus balances brought forward by the Government's substantial excess of Government borrowings over revenue payments to the Exchequer, and a fall in the note circulation. Discount houses paid around 5 per cent for secured call loans in the early part, and closing balances were taken at 8 1/2 per cent.

## LONDON MONEY RATES

Oct. 4	Sterling	Interbank	Local Authority	Finance House	Company	Discount	Treasury	Eligible Bank	Prime Rate
Overnight	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2
3 month term	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2
6 month term	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2
12 month term	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2

Local authority and finance house seven days' notice, others seven days' fixed. \* Longer term local authority mortgage rates: 12 1/2-13 1/2 per cent; four years 11 1/2-12 1/2 per cent; five years 11 1/2-12 1/2 per cent; six years 11 1/2-12 1/2 per cent; seven years 11 1/2-12 1/2 per cent; eight years 11 1/2-12 1/2 per cent; nine years 11 1/2-12 1/2 per cent; ten years 11 1/2-12 1/2 per cent. Approximate selling rates for one-month Treasury bills 8 1/2 per cent; two-month 8 1/2 per cent; three-month 8 1/2 per cent; four-month 8 1/2 per cent; five-month 8 1/2 per cent; six-month 8 1/2 per cent; seven-month 8 1/2 per cent; eight-month 8 1/2 per cent; nine-month 8 1/2 per cent; ten-month 8 1/2 per cent. Finance House Rates (published by the Finance House Association) 9 1/2 per cent from October 1, 1978. Charles Bank Discount Rates (for small sums at seven days' notice) 6 1/2 per cent. Charles Bank Base Rates for lending 10 per cent. Treasury bills: Average tender rates of discount 8 1/2.

THE POUND SPOT				FORWARD AGAINST £			
Oct. 4	Bank	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S. \$	8	1.9700-1.9800	1.9750-1.9800	0.90-0.95 p.m.	8.25	1.50-1.55 p.m.	8.25
Canadian \$	2	2.4500-2.4600	2.4550-2.4600	0.80-0.85 p.m.	8.25	1.40-1.45 p.m.	8.25
Deutsche M.	2	4.07-4.08	4.07-4.08	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Belgian F.	2	33.50-33.55	33.50-33.55	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
D-Mark	2	10.42-10.47	10.45-10.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Port. Esc.	2	175.00-175.50	175.00-175.50	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Swiss F.	2	1.40-1.41	1.40-1.41	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
French F.	2	6.45-6.46	6.45-6.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Yen	2	235.00-235.50	235.00-235.50	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Australian \$	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Spain Ptas.	2	165.00-165.50	165.00-165.50	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Italy Lira	2	200.00-200.50	200.00-200.50	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
India Rupee	2	45.00-45.50	45.00-45.50	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
South Africa Rand	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
South Korea Won	2	200.00-200.50	200.00-200.50	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Thailand Baht	2	20.00-20.50	20.00-20.50	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Philippines Peso	2	45.00-45.50	45.00-45.50	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Indonesia Rupiah	2	100.00-100.50	100.00-100.50	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Malaysia Ringgit	2	2.00-2.05	2.00-2.05	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Singapore Dollar	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Brunei Dollar	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Maldives Rufiyaa	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Myanmar Kyat	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Nepal Rupee	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Pakistan Rupee	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Sri Lanka Rupee	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Taiwan Dollar	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
South Vietnam Dong	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Laos Kip	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Cambodia Riel	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
North Vietnam Dong	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
East Germany Mark	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
West Germany Mark	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Poland Zloty	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Czechoslovakia Koruna	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Hungary Forint	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Romania Lei	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Bulgaria Lev	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Soviet Ruble	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Yugoslavia Dinar	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Croatia Dinar	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Slovenia Tolar	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Albania Lek	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Moldova Leu	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Ukraine Hryvnia	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Belarus Ruble	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Armenia Dram	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Georgia Lari	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Abkhazian Tetri	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Ossetian Ruble	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Ingush Ruble	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Dagestan Ruble	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Chechen Ruble	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Kabardian Ruble	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Ingush Ruble	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Dagestan Ruble	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Chechen Ruble	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25
Kabardian Ruble	2	1.45-1.46	1.45-1.46	1.10-1.15 p.m.	8.25	1.20-1.25 p.m.	8.25

THE DOLLAR SPOT				FORWARD AGAINST \$			
Oct. 4	Day's Spread	Close	One month	% p.a.	Three months	% p.a.	
Canada's \$	84.87-84.94	84.86-84.93	0.90-0.92c	-0.41	0.83-0.81c	-0.41	
Guider	2.2592-2.2620	2.2606-2.2630	1.19-1.18c	-0.19	1.22-1.19c	-0.19	
West. G.	2.5250-2.5280	2.5265-2.5290	1.20-1.19c	-0.19	1.23-1.20c	-0.19	
French F.	5.2528-5.2548	5.2575-5.2588	1.20-1.19c	-0.25	1.20-1.18c	-0.25	
D-Mark	1.9700-1.9710	1.9702-1.9710	0.90-0.90c	0.00	0.89-0.89c	0.00	
Port. Esc.	175.00-175.50	175.00-175.50	0.88-0.88c	0.00	0.88-0.88c	0.00	
Swiss F.	1.40-1.40	1.40-1.40	0.88-0.88c	0.00	0.88-0.88c	0.00	
French F.	6.45-6.46	6.45-6.46	0.88-0.88c	0.00	0.88-0.88c	0.00	
Yen	235.00-235.50	235.00-235.50	0.88-0.88c	0.00	0.88-0.88c	0.00	
Australia \$	1.45-1.46	1.45-1.46	0.88-0.88c	0.00	0.88-0.88c	0.00	
Spain Ptas.	165.00-165.50	165.00-165.50	0.88-0.88c	0.00	0.88-0.88c	0.00	
Italy Lira	200.00-200.50	200.00-200.50	0.88-0.88c	0.00	0.88-0.88c	0.00	
India Rupee	45.00-45.50	45.00-45.50	0.88-0.88c	0.00	0.88-0.88c	0.00	
South Africa Rand	1.45-1.46	1.45-1.46	0.88-0.88c	0.00	0.88-0.88c	0.00	
South Korea Won	200.00-200.50	200.00-200.50	0.88-0.88c	0.00	0.88-0.88c	0.00	
Thailand Baht	20.00-20.50	20.00-20.50	0.88-0.88c	0.00	0.88-0.88c	0.00	
Philippines Peso	45.00-45.50	45.00-45.50	0.88-0.88c	0.00	0.88-0.88c	0.00	







Tim Dickson on the problems facing the company at today's annual general meeting.

# A new strategy to bring Dixons back into favour

**MOST STOCK** market favourites ultimately fall from favour: sectors go out of fashion, for example, or growth simply slows as competitors catch up.

Nevertheless, shareholders of Dixons Photographic attending today's annual meeting may well ponder the fate of their investment over the past few weeks. In January this year the company's share price stood at an all-time high of 176p. But earlier this week Dixons was languishing at a new 1978 low of 124p, a fall of almost 30 per cent in nine months.

Such a sudden reversal contrasts sharply with the share's stunning performance in 1977, a jump of almost 200 per cent as, among other factors, investors anticipated the current spending boom.

This euphoric market mood now seems to have evaporated. To start with indifferent results for the year to end April did not help, pre-tax profits were only 9 per cent higher and considerably less in strictly trading terms.

Last month, moreover, warnings from the chairman, Mr. Stanley Kalms in the annual report of "a generally difficult background" in the current year saw the shares immediately marked 4p lower and the slide has continued ever since.

Is the market's drastic reaction to Dixons justified? Clearly, the main question mark hangs over the future of Weston Pharmaceuticals, the group's biggest, ever acquisition.

## New departure

Purchased in 1976, Westons, both a high street retailer and a wholesale chemist, involved a radical departure from what was traditionally sold in Dixons' outlets: cameras, hi-fi, pocket calculators and diverse electronic gadgets—or "men's toys" as the company prefers to call them.

Last year margins in the newly formed pharmaceutical division slipped from 28 to a mere 13 per cent as profits slipped from £1.75m to £1.0m.

Of RPM in the industry, and the

looming price war in pharmaceuticals may well have serious consequences, not least for Barclays.

Previously wholesalers have not been permitted to give discounts to their customers. But as Sir Hugh Linstead, chairman of Macarthur Pharmaceuticals, reported last week, price cutting has become more and more widespread in the last few months.

At finance director Mr. Egon von Greyser puts it, "We now realise that Westons is not a national chain but a neighbourhood chemist. The emphasis is no longer so much on marketing as on the infrastructure, distribution and improved efficiency."

To this end Dixons earlier this year paid £650,000 for Branded Goods, a Stoke-on-Trent based distributor of chemists' merchandise.

RG also has about 300 tied but independent chemists which operate under the "Enterprise" name—a relationship similar to the independent food retailer linked closely to VG, Spar, or Mace and using that name.

Branded Goods is particularly important in two respects, apart from being a profitable company with what Dixons feels is a winning formula. First, the Weston retail chain will gradually become integrated under the "Enterprise" banner, accepting its disciplines and better co-ordinated structure.

Secondly, Westons' successful wholesaling arm, Barclay and Sons, which only distributes ethical (or prescription) supplies will now have a complementary range of "over-the-counter" goods.

The new strategy, which is already being implemented, should help Westons retail chain (whose share made losses last year) achieving modest profits in the current year. How the pharmaceutical division as a whole will fare, however, depend very much on what happens to retail price maintenance. The gradual abandonment of RPM in the industry, and the

experience and expertise. TV games and home video units are just two of the big growth areas on the horizon, a new, highly sophisticated home computer game, for example, is to be marketed next year. "We are a technically orientated company," he says. "Our salesmen sell our products successfully because they are themselves technically minded."

While the British, non-pharmaceutical retailing side will continue to provide the bulk of Dixons' short-term growth (last year it accounted for 27 per cent of sales and 40 per cent of total profits), two further areas have important immediate potential.

**Setback**

First, Barclays Hospital Supplies, a specialist subsidiary of Barclay and Sons, looks much better placed than its pharmaceutical counterparts with Dixons. Last year, profits admittedly suffered a setback due to delays in obtaining a new product licence. But this has now been sorted out and with a new dialysis unit soon to be launched rapid sales growth, particularly in overseas markets, seems assured.

Secondly, Dixons is currently making inroads in the U.S. At present profits here are relatively small but sales should double in the current year and the operation will grow as Chinn products become accepted and more lines are introduced.

Two and a half years ago the company took a big plunge into pharmaceuticals. Today Dixons is at the crossroads. The question which must now be answered is whether Mr. Kalms and his directors can remove market doubts by nursing the wayward Westons back to recovery.

Unlike many other growth stocks, Dixons has slipped from favour and fought its way back to popularity in the past. Shareholders at today's meeting will no doubt hope that this achievement is to be repeated before long.

As Mr. von Greyser points out expansion now lies in the exciting new field of electronic gadgetry and here Dixons' marketing team has a wealth of

## APPOINTMENTS

# American professor to be British Film Institute director

Prof. Edward S. Perry, Dean of Arts and Humanities at Middlebury College, Vermont, U.S., has been appointed director of the British Film Institute to succeed Mr. Keith Lucas, who is retiring.

Mr. J. D. Campbell, general manager of the TSB of West of Scotland, has returned from the TSB Trust Company Board. Appointed to the Board are Mr. P. I. Twelvemore, general manager of the TSB South East and Mr. K. H. Allen, former chief actuary of Commercial Union and a former chairman of the Life Offices Association.

Mr. Cecil Crosswhite, deputy chairman of the TSB and HARTLEPOOL PORT AUTHORITY, since it was established in 1966, has resigned through ill-health.

Cray Research, U.S. announce the formation of a subsidiary, CRAY RESEARCH (UK) LIMITED, with Mr. Peter Appleton, Jones as managing director, to market computer products.

Mr. S. R. Harding, a director of Hill Samuel and Co. has been appointed a non-executive director of RPI INDUSTRIES.

Mr. G. J. R. Clow, company secretary, and Mr. F. A. Leonard have been appointed additional directors of ACL INTERNATIONAL COMMODITY SERVICES.

Mr. Peter F. Hamilton has been appointed chairman of GKN ENGINEERING AND CONSTRUCTION SERVICES in succession to Mr. G. I. W. Fryer who has resigned due to ill-health.

Mr. Hamilton remains chairman of the RPI Cleveland subgroup of GKN.

Mr. Ian MacLeod-Smith has been appointed a director of newly formed RAUMA-REPOLA (ENGINEERING) and will be managing director of its Lokomo Division.

Mr. Colin Fuller has been appointed managing director of EUROPLEASURE, a member of the Electronic Rentals Group.

Mr. Edward Hirschbeck has been appointed director of finance for the European operations of PITNEY BOWES, manufacturer of mailing and paper handling equipment.

KOWEST BANKING CORPORATION of Nassau has established a London representative office at 7 Birch Lane, EC3. The resident representative is Mr. Frank Dawson.

Anthony Westmidge has been appointed director of JOHN WALKER AND SONS with special responsibility for exports to Central and South America, and the Caribbean.

Mr. Peter Tanker becomes associate director, with specific responsibility for groups and

overall control of SLEEPTEEZ'S southern division Mr. John S. Mant becomes associate director (marketing).

Mr. Edward Schott has been elected vice-president material management of CLARK EQUIPMENT COMPANY, U.S., with responsibility for the company's purchasing, production control and traffic operations.

Mr. Schott joined Clark after retiring from the Ford Motor Company where he was the general purchasing manager for truck operations. Clark has made two further elections. Mr. Frank Almeri becomes senior vice-president and chief financial officer. Mr. John Cooke becomes vice president, corporate staff group.

A new company, GRAND INFRASTRUCTURE SYSTEMS, has been formed to provide systems consultancy, systems design and computer programming services, primarily in the Grand Metropolitan group but also in external clients. First Board appointments are Mr. D. D. Doyle (chairman) and Mr. N. G. Timmins (Managing).

AVIATION AND GENERAL INSURANCE COMPANY announce that Mr. R. E. Holland has retired from the chairmanship. Mr. R. H. Peet, formerly deputy chairman, was elected chairman. Mr. W. G. Haslam resigned from the board on his appointment as chief executive of the newly formed Prudential Assurance Corporation. Mr. D. S. Craigen was appointed a director in his place and deputy chairman.

Mr. Raul V. Ibarra has been appointed joint manager with Mr. Ralph Emery of the London branch of BANCO DE LA NACION ARGENTINA, and Mr. Guido D'Andrea has been appointed deputy manager.

Mr. K. Corcoran, managing director of replacement parts marketing and distributing division and Mr. W. B. Everitt, managing director of bearings division have been appointed directors of ASSOCIATED ENGINEERING.

SCIENTIFIC DESIGN COMPANY has appointed Mr. Martin Howard sales manager for Europe. Based in London, he will assist Mr. Howard, sales manager for SCIENTIFIC DESIGN COMPANY INC., New York, in the marketing of its technology in Eastern and Western Europe.

Mr. G. H. Vesey has been appointed commercial director of DUFFIN CONTAINERS, a Morden company.

Mr. Patrick H. Dodson has been appointed a non-executive director of J. F. NASH SECURITIES.

Following his election as Lord Mayor of the City of London, Mr. Kenneth R. Cork has relinquished his directorship of the RUSSELL COMPANY. Mr. Richard I. Maun on the retirement of Mr. Eric D. Adams.

Mr. Robert E. Kelley has been elected a director of BAKER PERKINS HOLDINGS, a U.S. citizen and lives in Saginaw, Michigan, where he continues as president and chief executive officer and as a director of the group's U.S. company, Baker Perkins Inc.

LEIGH LINERMAN, food distributor of Leeds have appointed Mr. Robert M. Tabb as chairman on the retirement of Mr. Eric D. Adams.

in his stead. Mr. Maunley is managing director of the Food Villa Sant Andrea, Sicily, in which Kursaal recently acquired a 49 per cent share stake.

Mr. Michael Ackling has been appointed director and general manager of McLEAN SOUTHERN, one of the 12 building subsidiaries of the housing division of TARMAC. Mr. David Baines also becomes a director of the company. Mr. Ray Hardman has been made development director of McLEAN SOUTH WEST and Mr. Peter Smith has been appointed a director of McLEAN SOUTH EAST.

Mr. John Alexander Baines has been appointed a director of BORDER BREWERIES (WREXHAM).

R.F.D. GROUP has appointed Mr. G. B. Davies chief executive of its special products division.

Sir Arthur Knight has resigned from the board of ROLLS-ROYCE to allow himself more time to devote to his other business and personal interests. Sir Arthur is chairman of Courtlands.

Mr. John Rose, who set up the external relations division of the Food Manufacturers' Federation, has left the Federation to join INFOPLAN as associate director.

Mr. R. V. C. Robbins, executive chairman of Stafford Knight and Co., has been appointed a non-executive director of FLYNN HOLDINGS, the printing, film and publishing and housing group.

The ROELI AND HAAS CO. Philadelphia, U.S., has appointed a new director of operations, based in London, Mr. Allen M. Levantini, previously North American business director for polymers, resins and monomers. He succeeds Mr. J. P. Mulrooney who has returned to Philadelphia to take up the position of corporate business director for industrial chemicals and polymers, resins and monomers.

The BANK OF AMERICA has made the following appointments in the Europe, Middle East and Africa division. Mr. John Hillings to vice president, head of public relations, Europe, Middle East and Africa; Mr. Gilbert Jaffe, to vice president, Beirut branch; Mr. Rolando Casas, to vice president and manager, Marseille branch; and Mr. Elgi Kuvshinov, to vice-president, and senior economist.

Mr. Robert E. Kelley has been elected a director of BAKER PERKINS HOLDINGS, a U.S. citizen and lives in Saginaw, Michigan, where he continues as president and chief executive officer and as a director of the group's U.S. company, Baker Perkins Inc.

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## FINANCIAL TIMES CONFERENCES

# THE OUTLOOK FOR ITALY

ROME

OCTOBER 16-17 1978



Premier Andreotti

Premier Andreotti will give the opening address at the Financial Times-INSUD Conference 'The Outlook for Italy' being held in Rome on 16 and 17 October 1978. He will be supported by a distinguished forum of speakers who will discuss the forward development programmes now re-shaping the Italian economy. Of particular interest will be the studies of Italy's relations with other countries of the EEC, the Arab World and the United States.

The list of distinguished speakers includes:

H. E. Dr. Rinaldo Ossola, Minister of Foreign Trade, Italy	Mr. Giorgio Napolitano, Former Communist Italian
Dr. Garret FitzGerald, TD, Formerly Irish Foreign Minister and now Leader of the Fine Gael Party	Dr. Horst Schulmann, Ministerial Director, Bundeskanzleramt
H. E. Mr. Abdullah A. Saudi, Chairman and General Manager, Ubyan Arab Foreign Bank	Dr. Ugo La Malfa, President, Partito Repubblicano Italiano
Dr. Antonio Giletti, Former Budget Minister, Italy	Mr. William P. Drake, Director, Penwalt Corporation, USA
A Member of the Commission of the European Communities	

The Financial Times Ltd. Conference Organisation, Bracken House, 10 Cannon Street, London EC4A 3DF. Tel. 01-236 4322. Telex: 27347 FTCONF G

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## Search for more jobs

By Ray Perman  
Scottish Correspondent

LOTHIAN, with 771,000 inhabitants, is Scotland's second largest region in terms of population and the one that most closely conforms to the principle of the city-region. The three Lothian counties—East, Mid and West—have always looked to Edinburgh as their focus for the provision of major services and the reorganisation of local government three years ago merely formalised this position. The result has been a cohesive unit which has within its boundaries a wide range of strengths with which to tackle the region's problems.

Those problems, it should be said, are hardly grave in comparison with other areas. The history of the region is markedly different from that of Glasgow or Dundee, which saw prominence as centres of the great Victorian industries and are now living with the effects of decline. Edinburgh was always a commercial and administrative centre first and a manufacturing city second and, although the counties have had, and are still having, to face up to the run-down of employment in some traditional industries, particularly coal mining, the scale is tiny against the loss of jobs in steelmaking, shipbuilding, and heavy engineering areas.

### Housing

This healthy position means that Edinburgh has none of the critical problems caused by loss of rate revenue that have lately given rise to considerable concern in Glasgow and the city is able to afford a high standard of public services, a considerable range of shops and entertainments and some of the finest housing anywhere in Britain. It is an elegant city, justly famous for its architecture, its grandeur and its culture, exemplified by the annual international festival. Civic pride extends to the maintenance of neat and colourful gardens along Princes Street, but not yet to the eradication of the worst of the slum tenements, or the rehabilitation of the most shabby of the post-war housing schemes.

Edinburgh is pre-eminent in Scotland as a financial and administrative centre. Two of the Scottish clearing banks have their headquarters in the city and the past few years have seen a massive influx of foreign and London banks to take advantage of the new business being generated by the oil industry. Half a dozen leading insurance companies, some of the largest fund managers in Britain and some leading industrial companies are also based there.

The presence of St. Andrews House, which houses the 11,000 civil servants of the Scottish Office, ensures that Edinburgh remains at the centre of decision-making, a position which will be consolidated if the proposed legislative assembly for Scotland is set up. Already, in anticipation of that move, several large UK companies (such as BP and ICI) have set up liaison offices to open links with the politicians and the bureaucrats.

The counties present a different picture. By southern standards Edinburgh is a well defined metropolis and the urban streets give way very quickly at its boundaries to country roads. In most of the rural parts of the region industry is limited to fairly compact areas and there is still a lot of agricultural land, particularly in the east, where the soil is among the most productive in Britain.

The coastal plain of East Lothian gives way to the hills of Midlothian before the land settles again to being mostly flat in the West. There is much beautiful countryside left in Lothian, although the industrial scars of pit spoil heaps (black

from the collieries and brown plants and equipment. Coal £110m last year. The growth in mining, on the decline for many years with the closure of un-economic pits, has also recently taken on a new lease of life with the opening of some modern mines and the decision by the National Coal Board to spend more than £30m exploiting rich new seams under the Firth of Forth in Musselburgh Bay.

As might be expected, the counties have a very different employment pattern to the city. Whereas three-quarters of all jobs in Edinburgh are in service industries, the proportion in the counties is far lower. In East Lothian it is 55 per cent, Midlothian 50 per cent, and West Lothian 45 per cent. Mining and agriculture, largely account for the high proportion of primary employment in East Lothian (17 per cent) and Midlothian (20 per cent) and the existence of several large factories, particularly in engineering, metal working and vehicle building at Leyland's Bathgate plant, for the high proportion of manufacturing employment (41 per cent) in West Lothian.

The industry of the region is diverse and the fact that, with the exception of Leyland and a handful of other large employers, most units are fairly small is a strength which has enabled the region to weather the recession relatively easily. Older manufacturing industries such as brewing and distilling, small scale shipbuilding and repairing, steel founding and engineering, are still strongly represented, many with modern plants and equipment. Coal £110m last year. The growth in mining, on the decline for many years with the closure of un-economic pits, has also recently taken on a new lease of life with the opening of some modern mines and the decision by the National Coal Board to spend more than £30m exploiting rich new seams under the Firth of Forth in Musselburgh Bay.

But one of the most striking features of Lothian has been the number of new industries established, many using advanced technologies in electronics and other science-based fields, and forming close links with existing companies and with technical colleges and universities. The position of the region close to good air, road, rail and sea links makes it an attractive location for the manufacture of products with high value added and, although the size of the region's manufacturing sector measured by total employment has declined over recent years, its export performance suggests that the growth of companies producing such goods is strong.

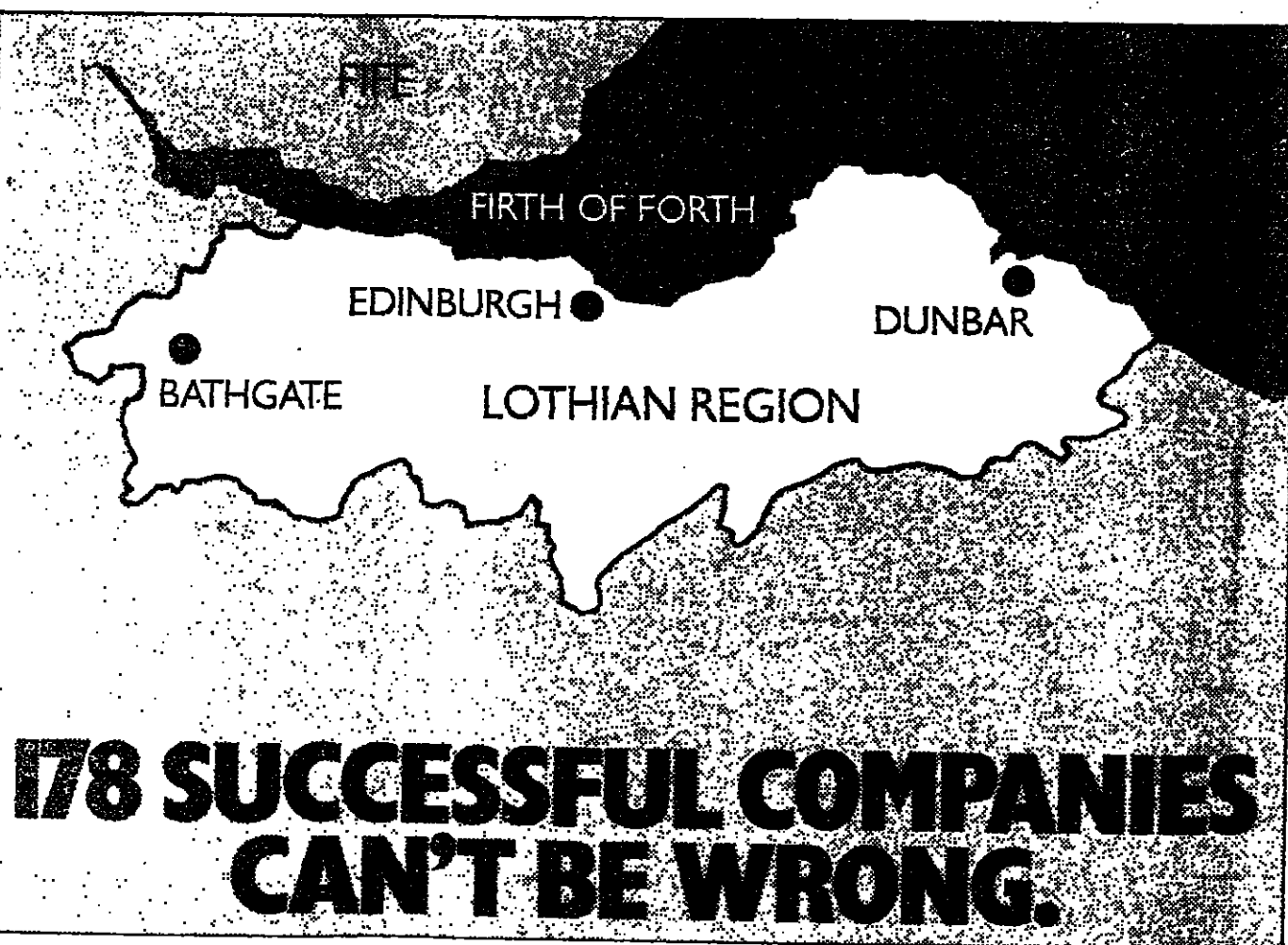
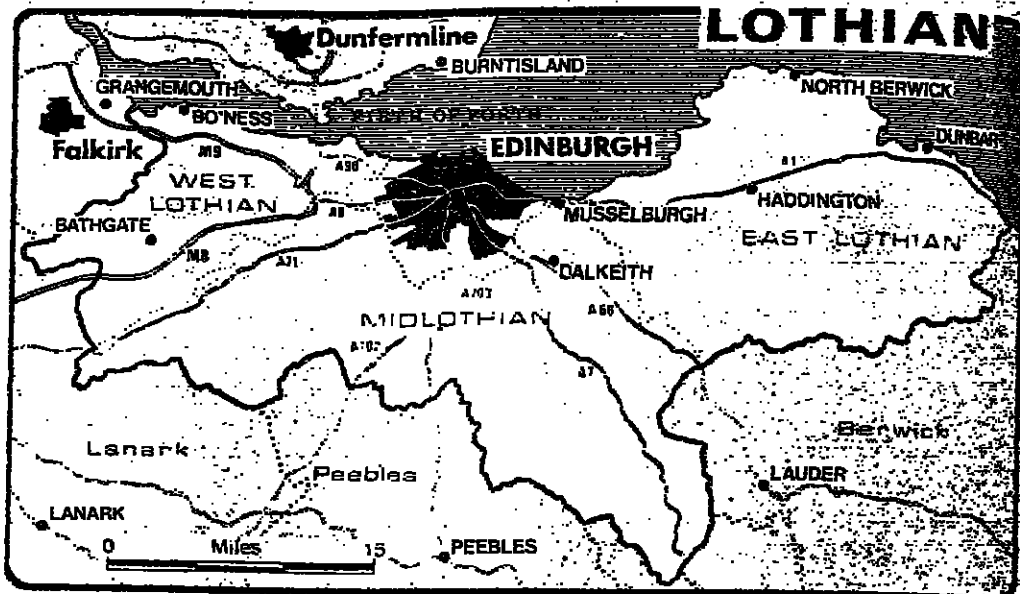
The value of goods shipped abroad from Lothian covered by the Export Credits Guarantee Department jumped dramatic-

# FINANCIAL TIMES SURVEY

Thursday October 5 1978

## The Lothian Region

The Lothian Region, which is dominated by the financial and administrative centre of Edinburgh, is more prosperous than most other areas of Scotland. But its success in attracting new industry will need to be maintained to avoid unemployment problems.



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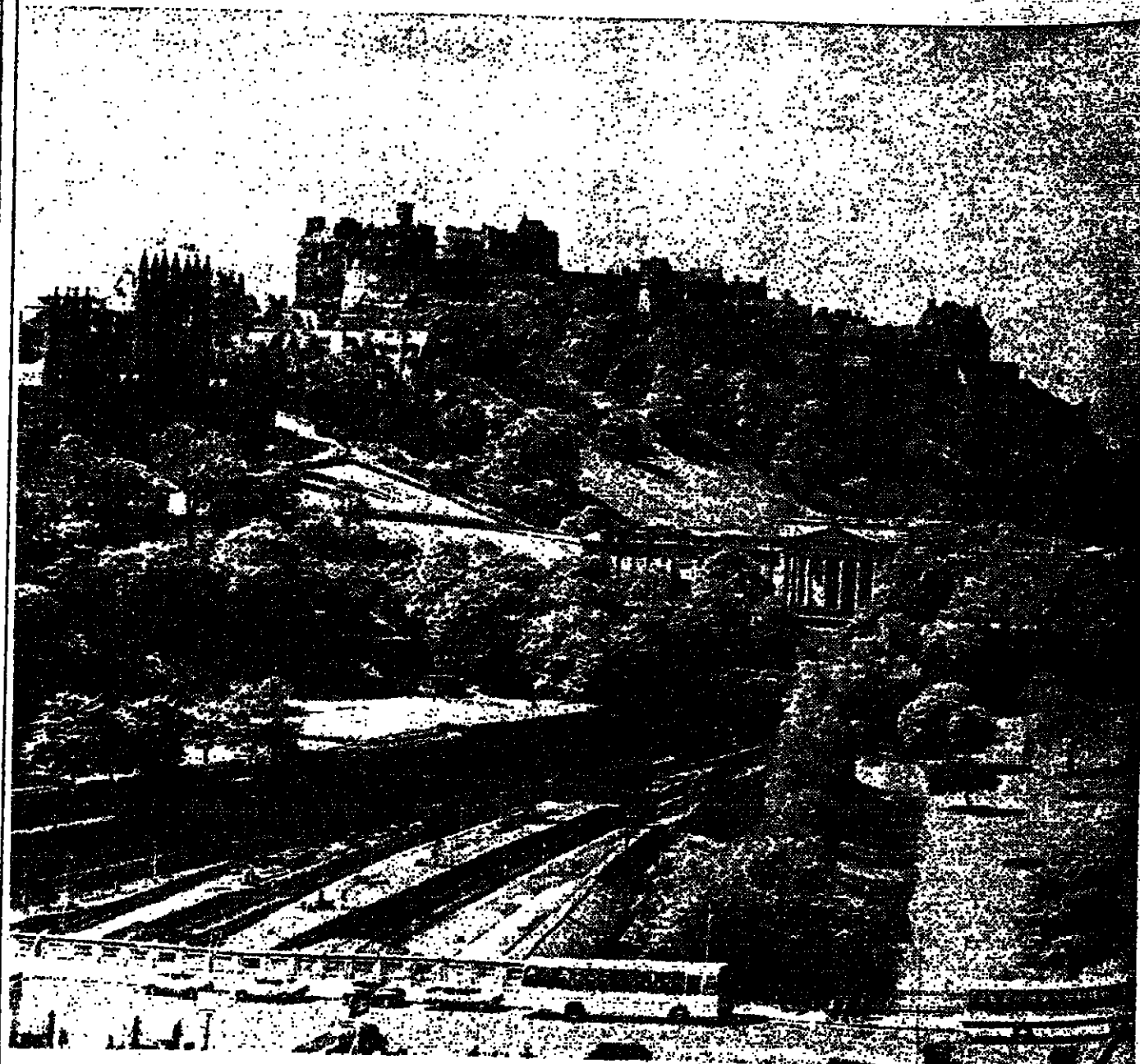
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## THE LOTHIAN REGION III

## University links with industry

THE ESTABLISHMENT of to incorporate a research park viable links between industry on the campus to further way, it is undoubtedly now and universities in the UK has encourage industrial links, well beyond that to a position been a consuming governmental Firms on the park have access of leadership. The Wolfson passion since Harold Wilson to the university's equipment Unit is one of the acknowledged coined his battlecry for a and expertise. centres for custom designed Britain forged in the white hot A further pioneering effort integrated circuits in Europe and the University has become an international centre for the heat of the technological came in 1972 when Heriot-Watt set up its Institute of Offshore development of charge-coupled revolution. Engineering and has won its devices, one of the key components in the industry.

It was a challenge taken up by most universities with some alacrity, ever mindful of the need to husband their hard-won shares of the University Grants Committee budget. If industry itself was somewhat sceptical of the ability of university academics to operate within a commercial framework, it has at least responded—albeit slowly—over the last few years.

Edinburgh and the Lothians with its traditions as an administrative and legal centre of Edinburgh, with its roots in a hinterland based on the primary industries might appear to have been stony ground for the integration of town and gown, but its two universities were pioneers in the concept of integration and have been among the most successful in the UK in developing industrial links.

Heriot-Watt College, even before it gained its university charter, had set up Britain's first Industrial Liaison Centre in 1963 to develop links between the College and industry.

It also became the first university to set up on a commercial basis a centre designed to help industry to automate production processes using expensive, off the shelf, electronic, pneumatic and hydraulic equipment pre-empting the Government's efforts this year to badge industry into the use of micro-processors by nearly a decade.

It was one of the first universities to set up a computer applications service, which has been particularly successful in building links with industry not just in its own backyard, but in Europe and the United States.

When the University decided to move from its city centre site to a new campus on the outskirts, it took the decision industry.

## Efforts

The efforts of Heriot-Watt might have been expected from a university which evolved from one of Britain's best-known technical colleges, but the achievements of the University of Edinburgh, with its roots in medieval Edinburgh and its reputation based on medicine and the other professions, are perhaps more surprising.

Within a few years it has acquired an international reputation in at least two of the world's fastest growing high-technology industries—chemicals and electronics—and is fast becoming the centre for a third with the development of the potential of wave power.

In electronics, Edinburgh has become a key centre in the Government's plans to catapult Britain into the forefront of the industry internationally.

Electronics at Edinburgh University are not just the fashionable industry of the moment. As early as 1969 the University's Department of Electrical Engineering set up the Wolfson Microelectronics Liaison Unit to bridge the gap between university and industry.

Professor W. E. J. Farris, who pioneered the Unit with the help of a grant from the Wolfson Foundation, recognised that with an industry whose technology was changing as fast as electronics, it was essential to work with industry, if for no other reason than to ensure that students and university staff were at least keeping pace with developments in the power.

The "Nodding Duck" wave power machine which was investigated by Mr. Stephen Salter at Edinburgh's Department of Mechanical Engineering, is the best known of the four wave power devices being given substantial Government research backing in the UK.

It is also significant that Edinburgh University was chosen as the site for a sophisticated testing tank which can simulate virtually any kind of wave condition at sea, despite the fact that the National Engineering Laboratory at East Kilbride is also engaged in the same work.

The £100,000 tank was opened in the summer and will be used not only for testing wave-power devices, but for ship testing and for other offshore engineering structures.

The research work although backed by the Government, who see wave power as the most promising of the "benign" energy sources for the UK, is also being backed by a subsidiary of the Ready Mixed Concrete Company.

The pioneering work in developing university links with industry at Heriot Watt was recognised last month when a paper by Duncan Cameron and Ian Dalton was read at the OECD conference in Paris. In the paper, the authors stress that an active policy of co-operation with industry can only be achieved if universities are willing to have a full-time team engaged on specific projects. There is no place for divided responsibilities. They also emphasise that to create separate units meant for Heriot Watt that the industrial units had to be financially self-

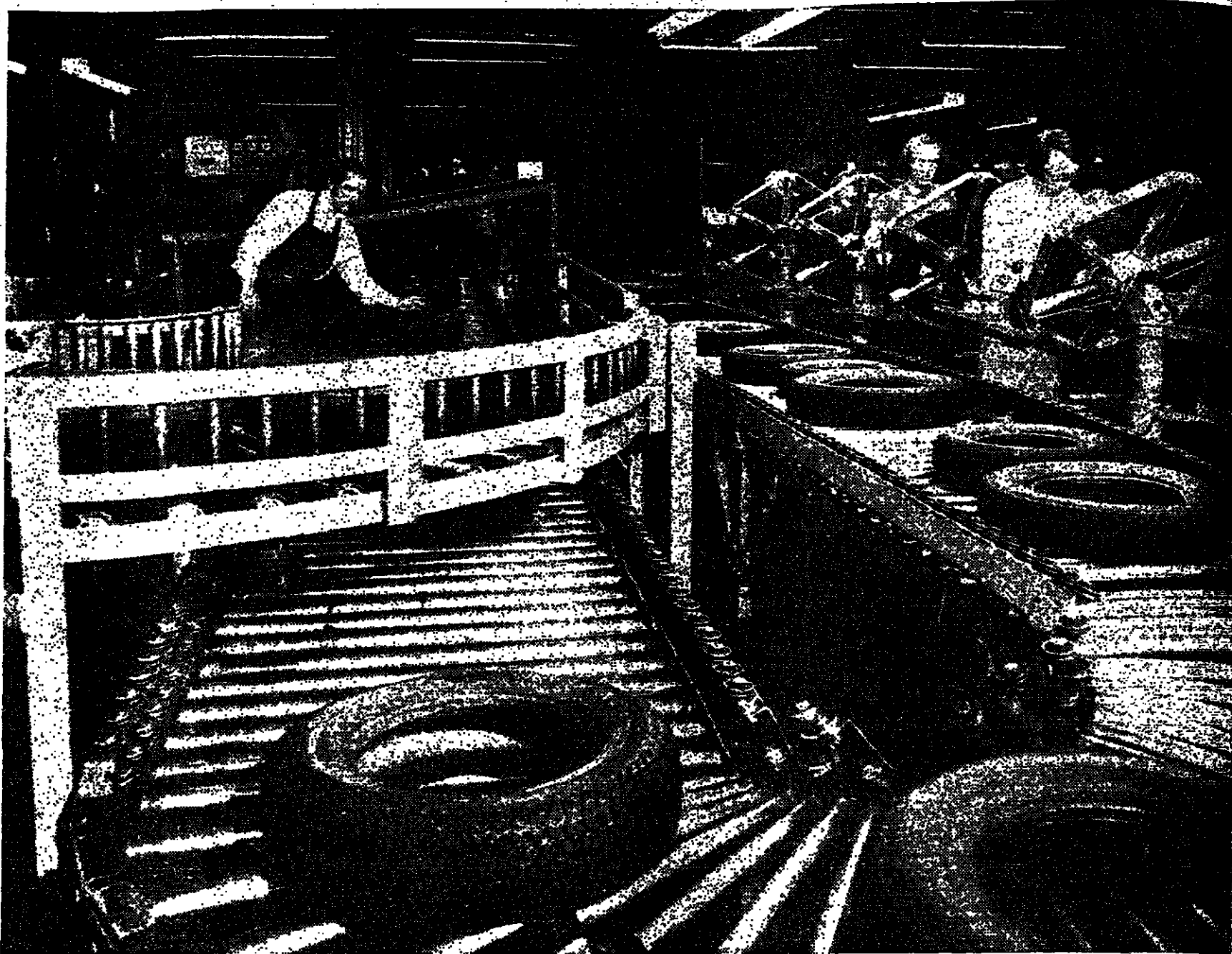
supporting, requiring staff Technology—yet.

What they do gain is a link with industry in the region which undoubtedly sharpens the courses offered. It is no accident that the technologies in which the two universities have particularly excelled are broadly speaking the industries which form the region's main industrial structure. Ferranti, Hewlett Packard and MESL of electronics, Nuclear Enterprises

in instrument and diagnostic medical engineering, Brown Brothers in hydraulic engineering, and ICI, BP and others in chemical offshore engineering very extensive range of consultancy services.

The Lothian Region has since the war attracted some of the UK's most sophisticated high-technology industries, whose success story from Edinburgh is as good if not better than any other university centre in the UK.

John Drummond



Testing and inspection of tyres at Uniroyal's plant at Newbridge Industrial Estate, eight miles from the centre of Edinburgh.

## Significant

In the public mind, Edinburgh University's new "Industrial" image has been given its biggest boost through the work being done on developing devices to generate electricity from wave power.

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## Improvements in communications

price. It is cited as at least one reason why the proportion of manufacturing industry in Edinburgh has shrunk to a mere 17 per cent of employment in the city, and new industry has been sited outside the city boundary. It is not as if the problem has not been recognised. A succession of master plans go back 40 years and it is only now since the Lothian Region was formed under local government reorganisation that action is beginning to take place. However, with financial constraints, it is likely that the latest and impressive plan costing £50m to cure the problem will take 20 years to implement.

John Drummond

The key to the system is an outer city bypass which will take the major traffic flows from the central industrial belt and from the east of Scotland and north-east—on to the two main routes south, the A1 and the A68. Combined with this is a series of relief roads in the city, almost all of which use former railway tracks, to remove the worst bottlenecks. At the end of the day, Edinburgh may well have gained from the privatisation of the delays by refusing to submit to the demands for roads. The city has suffered to some extent in the past from traffic congestion, but its unique environment as a place to live is increasingly becoming a factor in the minds of incoming industry.

John Drummond

The virtually enforced move to the outskirts by industry ties in well with the new road transport communications plan and almost by default Edinburgh can offer industry excellent communications and a pleasant city environment. For similar reasons, Edinburgh also has the most modern airport in the country completed only 18 months ago with separate cargo and passenger terminals. The lack of modern airport facilities over the years inhibited growth of services, particularly in the Lothians. Next May, network, Lothians have a there has been spectacular London with the high speed train making a four and a half hour journey time to London.

John Drummond

A furious battle is now developing on the question of long possible.

John Drummond

## Renovation

Rail developments in the city have not suffered the same problems as the road system. The main line runs through the city centre without causing environmental problems, although developments proposed by British Rail have run into problems from environmentalists where major renovation work is involved.

A scheme to develop the Haymarket station site on the west side of Edinburgh has been held up for years because of the insistence of environmentalists that the original facades be retained and new buildings blend with the surroundings.

A British Rail spokesman said: "We are very much aware of the constraints on developments and must take into account the need to preserve the architectural heritage of the city." Nevertheless the rail system is extremely important to the development of communications in the Lothians. Next May, network, Lothians have a there has been spectacular London with the high speed train making a four and a half hour journey time to London.

John Drummond

## Reclamation

There is a great deal of potential capacity in the system in Leith and large areas of land for development of that, reclamation proposals have been made for a adjacent to the port, could provide potential development of marine industries and the Forth. Authority has little doubt Leith will grow in importance in the long term.

Overall, communications in the region have problems, the facilities in general of the adequate and discounting peculiar difficulties of the Europe, but since the new runway and terminal were opened, Edinburgh will be linked to port infrastructure. A furious battle is now developing on the question of long possible.

John Drummond

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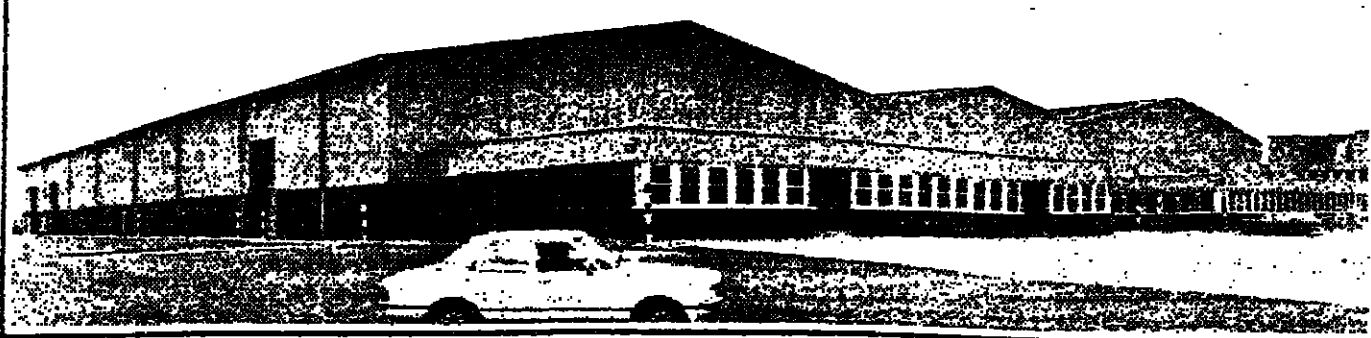
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# Back to work at Bathgate

BATHGATE, British Leyland's got fed up and gone elsewhere. The unions have spent the last few weeks looking at the plant's problems and at possible solutions. Union pressure was largely responsible for Bathgate being set up 18 years ago and it is now much too valuable a prize to lose.

If it is still too early to say what the future will be for the plant, it is worth taking stock of what exactly the dispute has meant for it. As one of the longest in the plants history, it inevitably attracted a lot of attention, but much of the comment was confused and some of it misleading.

There are two points worth making: first, the machinists' stoppage was not the beginning of Bathgate's troubles. There had already been dire warnings from both management and unions about the plant's industrial relations record and its performance. The mere fact that the dispute has ended does not mean that the problems are solved. Second, Bathgate is not being closed, nor is it being run down. During the strike the board of B.L. Vehicles—the commercial company in the Leyland group—announced that it was cutting back its forward investment programme by £32m

and this was interpreted by some people as meaning that the factory denied modernisation or its capacity reduced. The opposite is in fact the case; new, more efficient machines will be introduced and capacity will be expanded.

The history of the plant helps to explain some of its present difficulties. It was established by BMC before the Leyland merger in an area of high unemployment and finally established industrial habits. The company had wanted to build in the Midlands, but had been refused an industrial development certificate by the then Conservative government.

West Lothian was at that stage going through the traumas of industrial upheaval. The shale oil mining industry had collapsed in the face of competition from the much more cheaply produced Middle Eastern oil, and coal mining was declining fast. Bathgate offered new jobs, but it meant learning new skills and adapting to a completely new method of industrial life.

The plant was unlike other heavy vehicle manufacturers in that it was designed much more on the assembly line pattern of

the volume car factories than on the bespoke engineering principles of old-established lorry builders like Leyland's other Scottish plant, Albion Motors at Scotstoun, Glasgow. West Lothian people, used to a much harsher working environment where after four days at the coal face or in the shale pits a man felt entitled to take a day off, adapted poorly to the monotony of continuous production. Absenteeism has always been a problem at Bathgate and, to some extent, it is a hangover from those days.

The plant also offered good wages, but has never matched the earnings of face workers in the coal mines, nor even the highest offered elsewhere in the district or elsewhere in British Leyland. Since the nine-week parity strike of 1972 there have been numerous smaller pay disputes that have disrupted production.

The difficulties have not all been of the workers' making. BMC's merger with Leyland, and the new company's constant problems and re-organisations have all contributed to uneven and often inefficient management. The last year has seen several changes of top execu-

tive at Bathgate which, as great hopes for it from unions Frank Andrews, the new general manager of Leyland's will tell.

Light/Medium Division. And there is to be a major examination by independent consultants of the grading structures throughout the plant.

"I would definitely not put all the problems on the shop floor. We have been deficient in the introduction of new products this year which has affected productivity and on a couple of occasions we have not given the shop floor a clean product to build."

The management problem has been helped considerably by the most recent Leyland re-organisation, which put the headquarters of Light/Medium Division at Wester Hailes, Edinburgh, a few minutes' drive from Bathgate. It needs time to see whether the shop-floor problems have also been alleviated.

A new productivity scheme, which could give workers an extra £11 to £13 a week for raising production from the 62 per cent of targets averaged before the summer holidays to over 75 per cent (the level at which the plant begins to make good profits) has hardly been given a trial because of the machinists' dispute. There are

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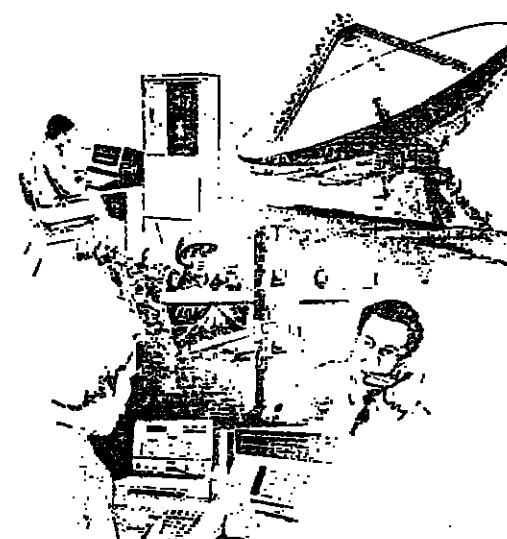


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## Financial expertise

THE City of London can by the Bank of Scotland) and bids and other types of service. The newcomers have brought vast new resources to back their formidable challenge. So the domestic institutions have had to go international in self-defence, if for no other reason.

This is not to say that Edinburgh has been a parochial city prior to the North Sea discoveries. The Edinburgh Festival, now in its 32nd year, epitomised a global outlook while in the financial sphere fund managers acting on behalf of their clients have been investing abroad (particularly in North America) and monitoring trends in the world's capital and money markets for well over a century. (What is reported to be Britain's first investment trust, the Scottish-American Trust of Edinburgh, dates back to 1873.)

The city's infrastructure, including air and telecommunications, and the presence of science-based industry in and around the city have also tended to support and foster that global outlook in the local financial community.

One significant pointer to the clearing banks' response to the challenge has been the fast expansion of foreign currency transactions. From barely 1 per cent of total funds in 1972, foreign lendings and deposits respectively now represent well over 15 per cent of those funds in the case of the Bank of

Scotland, the proportion approaches 25 per cent, not least because of the Bank's increasing participation in international consortial lending.

The Edinburgh clearers are also extending their foothold overseas. Following the establishment of branches or representative offices in the U.S., both the Royal Bank and the Bank of Scotland are moving to Hong Kong, attracted no doubt by fast industrial growth in some of the advanced Third World countries in the Far East. The Bank of Scotland is also a partner in a representative office in Moscow.

Nor have the clearers been sluggish in grasping oil-related opportunities. In their evidence to the Wilson Committee last year, they estimated a commitment to licensees which, if fully drawn, would be close to 11 per cent of their total lending.

The past decade has also seen a considerable expansion in the range of Edinburgh-based financial institutions. They include three merchant banks: a fourth one, Edward Bates, revived and publicly floated by Ivory and Sime's Atlantic Assets trust, has foundered and had to be rescued by the Bank of England's "lifeline".

The British Linen Bank, formerly the Bank of Scotland Finance Company, took its name from the clearing bank which merged with the Bank of Scotland, its parent, in 1969. It offers a full range of merchant banking services and, with a substantial lending portfolio and an investment subsidiary, is a rising force in the UK market.

Noble-Grossart, on the other hand, is a smaller and generally

more selective institution, with a more modest lending portfolio. Its investment subsidiary generally favours small or medium-size unquoted companies: an exception is North Sea Assets, managed jointly by the bank and Ivory and Sime.

A substantial investment company with funds exceeding £20m invested in equity or loans for mainly, but not exclusively, North Sea support operations. A third, much smaller merchant bank, McNeill-Pearson, is mainly active in the investment field.

The hotting-up of competition in the Edinburgh financial market has not been confined to banks. Towards the end of last year, the pension funds of two nationalised industries — the NCB and British Rail — were involved in takeover bids in two leading Edinburgh investment trusts, the British Investment Trust and the Edinburgh and Dundee Investment Company respectively. Both bids were successful in the face of strenuous opposition by the boards of the trusts which were unalloyed by assurances by the funds that day-to-day management would remain in local hands.

Britain's membership of the European Community has added a new dimension to the international operations of the Edinburgh financial community which had hitherto been largely North American-orientated. The European Monetary System, if it happens, will no doubt present a new challenge, but then Edinburgh seems to thrive on challenges.

Andrew Hargrave

## Major water project

THE middle of the next decade the infrastructure of the Lothian region will have been raised to a considerable level in almost all respects. The road system, upgraded and extended, will be a major asset. The railway system, although bus services, will all have had a great deal of money spent on them. Scottish Gas Board has completed its conversion to natural gas, and the Scottish Electricity Board is to add to its modern fleet of coal-fired power plants a new nuclear power station, near Dundee, in the Lothian.

One of the biggest and most ambitious schemes is undertaken by the Lothian Region itself. Over the next four years it is to build a major dam in Scotland, in its own area in the hills of the Lothian Region to meet an anticipated increase in demand for water from industrial and domestic consumers over the next twenty years.

The present region has a surplus of water supply already started on Phase One of the scheme, and is scheduled for completion in 1982. At a cost of £31m spread over 22 years, it will provide an extra 22.5mgd; enough to cover the expected increase in the region's demand for water until the end of the century. Phase two can then be put into operation, yielding as much extra water again to bring the total resources available to the Lothian Region to 115mgd.

By far the largest part of the project will be the construction of the Meggat dam itself, described by the consulting engineers, Robert H. Cuthbertson and Partners, as the longest and to 90mgd, some 20mgd higher (180 ft.) ever built in Scotland. It will have an asphalt core with an impermeable membrane, the first time this technique of going outside the dam construction will be used in the UK.

Behind the dam, which will be an adequate supply of water, is not new. As early as 13m, 800 he Edinburgh and District acres of the Meggat valley will be flooded to form the reservoir. The land was formerly an estate owned by Lord Wemyss and is the home of shepherds and farmers. The council is spending some £650,000 rehousing them further up the valley and providing new sheep folds and other agricultural buildings. A 12th century tower and woods, where Mary Queen of Scots once hunted cannot, however, be replaced.

The second part of the project is a 7.7m tunnel and aqueduct pipeline to bring the water 23 miles into the heart of the Lothian Region. The tunnel, eight feet in diameter, will take the water five miles under the Manor Hills, near Peebles, before handing it on to the pipeline, which will take it across the Meldon Hills.

Financing the scheme has been considerably helped by the European Community. Last November a party of councillors signed an agreement in Luxembourg with the European Investment Bank, the Community's long-term lending institution, for a loan of £25m towards the cost of the Meggat project and the £32m Edinburgh sewage disposal scheme.

The loan was the largest ever granted to a UK local authority by the bank and was provided for a term of 15 years, at nine per cent, a substantially lower figure than the council would have been able to obtain on the commercial lending market. The bank, one of whose duties is to further regional economic development with the Community, commented on the contribution that the 60m cubic metre reservoir would make to industrial expansion in the region.

The costs of the project have also been offset by a grant of £482,000 from the European Regional Development Fund and the council intends to apply again each year for further grants, which are awarded annually.

Ray Perman

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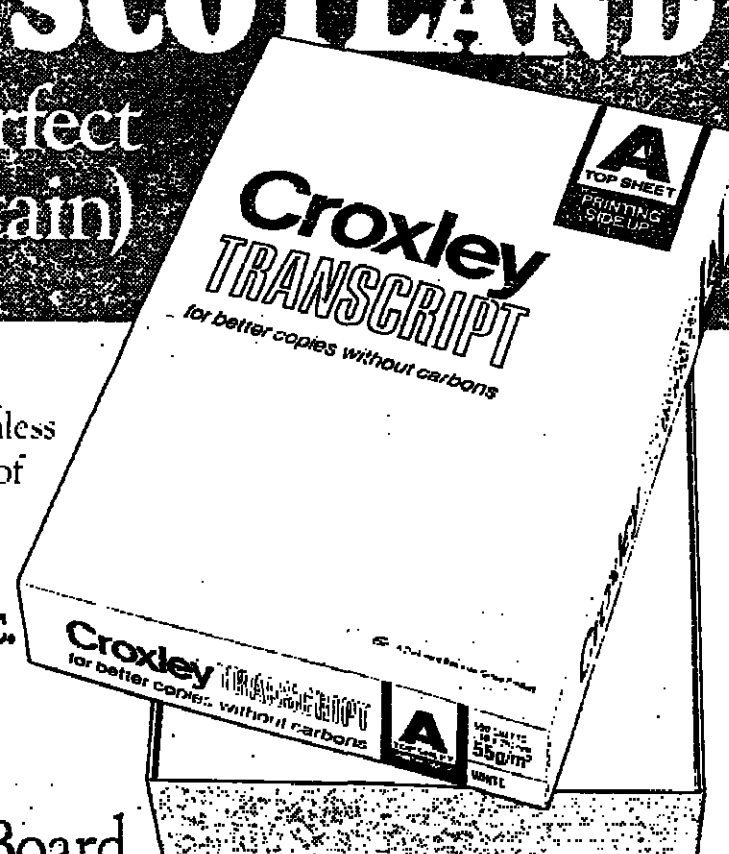
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ANZBTR Sept. 4 12.40 1.23

**Bridge Management Ltd.**  
P.O. Box 508, Grand Central, Cammer Is.  
N. B. 1957-1958 1-10-58  
N. B. 1957-1958 1-10-58  
N. B. 1957-1958 1-10-58  
N. B. 1957-1958 1-10-58

**Britannia Trust Mgmt. (C.I.) Ltd.**  
30 Bath St., St. Helier, Jersey 0534-73114  
Sterling Devaluated Fd. 40.7 2.00  
Sterling Devaluated Fd. 40.7 2.00  
Sterling Devaluated Fd. 40.7 2.00  
Sterling Devaluated Fd. 40.7 2.00

**Brown Shipley Trust Co. (Jersey) Ltd.**  
P.O. Box 581, St. Helier, Jersey 0534-74777  
Sterling Bond Fd. 15.96 10.00 11.75

**Butterfield Management Co. Ltd.**  
1, Broad St., Hamilton, Bermuda 0534-74777  
Sterling Bond Fd. 15.96 10.00 11.75  
Sterling Bond Fd. 15.96 10.00 11.75  
Sterling Bond Fd. 15.96 10.00 11.75

**Capital International S.A.**  
27 rue Notre Dame, Luxembourg  
Capital Int. Fund 1957-1958 1-10-58

**Charterhouse Japhet**  
1, Paternoster Row, EC4A 01-248-3060  
Adriatic 1957-1958 1-10-58  
Adriatic 1957-1958 1-10-58  
Adriatic 1957-1958 1-10-58  
Adriatic 1957-1958 1-10-58

**Clive Investments (Jersey) Ltd.**  
P.O. Box 320, St. Helier, Jersey 0534-37661  
Clive Int. Fund 1957-1958 1-10-58  
Clive Int. Fund 1957-1958 1-10-58  
Clive Int. Fund 1957-1958 1-10-58  
Clive Int. Fund 1957-1958 1-10-58

**Cornhill Inc. (Guernsey) Ltd.**  
P.O. Box 157, St. Peter Port, Guernsey  
Int. M. M. Fd. 1957-1958 1-10-58

**Delta Group**  
P.O. Box 3012, Nassau, Bahamas  
Delta Int. Fund 1957-1958 1-10-58

**Deutscher Investitions-Trust**  
Postfach 2858 Biebrach 6-1000 Frankfurt  
Deutscher Investitions-Trust 1957-1958 1-10-58  
Deutscher Investitions-Trust 1957-1958 1-10-58  
Deutscher Investitions-Trust 1957-1958 1-10-58  
Deutscher Investitions-Trust 1957-1958 1-10-58

**Dreyfus International Inv. Fd.**  
P.O. Box N3712, Nassau, Bahamas  
NAV Sept. 28 1957-1958 1-10-58

**Enson & Dudley Trust Mgt. Jersey Ltd.**  
P.O. Box 73, St. Helier, Jersey 0534-35591  
E.D. L.C.T. 124.4 12.50 1.30

**Eurobond Holdings N.V.**  
Hemelbaan 14, Willemstad, Curacao  
Eurobond Holdings N.V. 1957-1958 1-10-58  
Eurobond Holdings N.V. 1957-1958 1-10-58  
Eurobond Holdings N.V. 1957-1958 1-10-58  
Eurobond Holdings N.V. 1957-1958 1-10-58

**F. C. Muntz & Co. Pwnt. Hill Adv. Advisers**  
01-622-2100  
F. C. Muntz & Co. Pwnt. Hill Adv. Advisers 1957-1958 1-10-58  
F. C. Muntz & Co. Pwnt. Hill Adv. Advisers 1957-1958 1-10-58  
F. C. Muntz & Co. Pwnt. Hill Adv. Advisers 1957-1958 1-10-58  
F. C. Muntz & Co. Pwnt. Hill Adv. Advisers 1957-1958 1-10-58

**Fidelity Mgmt. & Res. (Bdn.) Ltd.**  
P.O. Box 670, Hamilton, Bermuda 0534-74777  
Fidelity Int. Fund 1957-1958 1-10-58  
Fidelity Int. Fund 1957-1958 1-10-58  
Fidelity Int. Fund 1957-1958 1-10-58  
Fidelity Int. Fund 1957-1958 1-10-58

**Fidelity Mgmt. Research (Jersey) Ltd.**  
Watford Rise, Dun St. St. Helier, Jersey 0534-73741  
Series B (Pacific) 131.99  
Series D (Asia) 131.99

**First Viking Commodity Trusts**  
St. George's St., Douglas, I.O.M.  
First Viking Commodity Trusts 1957-1958 1-10-58  
First Viking Commodity Trusts 1957-1958 1-10-58  
First Viking Commodity Trusts 1957-1958 1-10-58  
First Viking Commodity Trusts 1957-1958 1-10-58

**Flourishing Japan Fund S.A.**  
27 rue Notre Dame, Luxembourg  
Flourishing Japan Fund 1957-1958 1-10-58

**Free World Fund Ltd.**  
Batterfield Bldg., Hamilton, Bermuda  
NAV Aug. 31 1957-1958 1-10-58

**G. T. Management Ltd.**  
Park Lane, 16 Finsbury Circus, London EC2A  
G. T. Management Ltd. 1957-1958 1-10-58  
G. T. Management Ltd. 1957-1958 1-10-58  
G. T. Management Ltd. 1957-1958 1-10-58  
G. T. Management Ltd. 1957-1958 1-10-58

**Genetec Fund Mgt. (C.I.) Ltd.**  
P.O. Box 670, Hamilton, Bermuda 0534-74777  
Genetec Fund Mgt. (C.I.) Ltd. 1957-1958 1-10-58  
Genetec Fund Mgt. (C.I.) Ltd. 1957-1958 1-10-58  
Genetec Fund Mgt. (C.I.) Ltd. 1957-1958 1-10-58  
Genetec Fund Mgt. (C.I.) Ltd. 1957-1958 1-10-58

**Genetec Fund Mgt. Research (Jersey) Ltd.**  
Watford Rise, Dun St. St. Helier, Jersey 0534-73741  
Series B (Pacific) 131.99  
Series D (Asia) 131.99

**First Viking Commodity Trusts**  
St. George's St., Douglas, I.O.M.  
First Viking Commodity Trusts 1957-1958 1-10-58  
First Viking Commodity Trusts 1957-1958 1-10-58  
First Viking Commodity Trusts 1957-1958 1-10-58  
First Viking Commodity Trusts 1957-1958 1-10-58

**Flourishing Japan Fund S.A.**  
27 rue Notre Dame, Luxembourg  
Flourishing Japan Fund 1957-1958 1-10-58

**Free World Fund Ltd.**  
Batterfield Bldg., Hamilton, Bermuda  
NAV Aug. 31 1957-1958 1-10-58

**G. T. Management Ltd.**  
Park Lane, 16 Finsbury Circus, London EC2A  
G. T. Management Ltd. 1957-1958 1-10-58  
G. T. Management Ltd. 1957-1958 1-10-58  
G. T. Management Ltd. 1957-1958 1-10-58  
G. T. Management Ltd. 1957-1958 1-10-58

**Genetec Fund Mgt. (C.I.) Ltd.**  
P.O. Box 670, Hamilton, Bermuda 0534-74777  
Genetec Fund Mgt. (C.I.) Ltd. 1957-1958 1-10-58  
Genetec Fund Mgt. (C.I.) Ltd. 1957-1958 1-10-58  
Genetec Fund Mgt. (C.I.) Ltd. 1957-1958 1-10-58  
Genetec Fund Mgt. (C.I.) Ltd. 1957-1958 1-10-58

**Genetec Fund Mgt. Research (Jersey) Ltd.**  
Watford Rise, Dun St. St. Helier, Jersey 0534-73741  
Series B (Pacific) 131.99  
Series D (Asia) 131.99

**First Viking Commodity Trusts**  
St. George's St., Douglas, I.O.M.  
First Viking Commodity Trusts 1957-1958 1-10-58  
First Viking Commodity Trusts 1957-1958 1-10-58  
First Viking Commodity Trusts 1957-1958 1-10-58  
First Viking Commodity Trusts 1957-1958 1-10-58

**Flourishing Japan Fund S.A.**  
27 rue Notre Dame, Luxembourg  
Flourishing Japan Fund 1957-1

### NOTES

Prices do not include 5 premium, except where indicated &, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. A Offered price includes all expenses. B Today's price C Yield based on offer price D Estimated A Today's price E Distribution free of U.K. taxes F Periodic premium insurance plans G Single premium insurance H Offered price includes all expenses except agent's commission I Offered price includes all expenses except through main agent's commission



## ENGINEERING—Continued

[illegible]



## INDUSTRIALS—Continued

[illegible]

### INSURANCE—Continued

50	120	Lot's & Main Sp.	130	+1	16.98	3.7	1.7
51	125	Loan & Equip Sp.	135	+1	16.98	3.7	1.7
52	127	Mathews W. Sp.	140	+1	19.37	4.3	2.1
53	128	Mathews W. Sp.	145	+1	19.37	4.3	2.1
54	129	Mathews W. Sp.	150	+1	19.37	4.3	2.1
55	130	Mathews W. Sp.	155	+1	19.37	4.3	2.1
56	131	Mathews W. Sp.	160	+1	19.37	4.3	2.1
57	132	Mathews W. Sp.	165	+1	19.37	4.3	2.1
58	133	Mathews W. Sp.	170	+1	19.37	4.3	2.1
59	134	Mathews W. Sp.	175	+1	19.37	4.3	2.1
60	135	Mathews W. Sp.	180	+1	19.37	4.3	2.1
61	136	Mathews W. Sp.	185	+1	19.37	4.3	2.1
62	137	Mathews W. Sp.	190	+1	19.37	4.3	2.1
63	138	Mathews W. Sp.	195	+1	19.37	4.3	2.1
64	139	Mathews W. Sp.	200	+1	19.37	4.3	2.1
65	140	Mathews W. Sp.	205	+1	19.37	4.3	2.1
66	141	Mathews W. Sp.	210	+1	19.37	4.3	2.1
67	142	Mathews W. Sp.	215	+1	19.37	4.3	2.1
68	143	Mathews W. Sp.	220	+1	19.37	4.3	2.1
69	144	Mathews W. Sp.	225	+1	19.37	4.3	2.1
70	145	Mathews W. Sp.	230	+1	19.37	4.3	2.1
71	146	Mathews W. Sp.	235	+1	19.37	4.3	2.1
72	147	Mathews W. Sp.	240	+1	19.37	4.3	2.1
73	148	Mathews W. Sp.	245	+1	19.37	4.3	2.1
74	149	Mathews W. Sp.	250	+1	19.37	4.3	2.1
75	150	Mathews W. Sp.	255	+1	19.37	4.3	2.1
76	151	Mathews W. Sp.	260	+1	19.37	4.3	2.1
77	152	Mathews W. Sp.	265	+1	19.37	4.3	2.1
78	153	Mathews W. Sp.	270	+1	19.37	4.3	2.1
79	154	Mathews W. Sp.	275	+1	19.37	4.3	2.1
80	155	Mathews W. Sp.	280	+1	19.37	4.3	2.1
81	156	Mathews W. Sp.	285	+1	19.37	4.3	2.1
82	157	Mathews W. Sp.	290	+1	19.37	4.3	2.1
83	158	Mathews W. Sp.	295	+1	19.37	4.3	2.1
84	159	Mathews W. Sp.	300	+1	19.37	4.3	2.1
85	160	Mathews W. Sp.	305	+1	19.37	4.3	2.1
86	161	Mathews W. Sp.	310	+1	19.37	4.3	2.1
87	162	Mathews W. Sp.	315	+1	19.37	4.3	2.1
88	163	Mathews W. Sp.	320	+1	19.37	4.3	2.1
89	164	Mathews W. Sp.	325	+1	19.37	4.3	2.1
90	165	Mathews W. Sp.	330	+1	19.37	4.3	2.1
91	166	Mathews W. Sp.	335	+1	19.37	4.3	2.1
92	167	Mathews W. Sp.	340	+1	19.37	4.3	2.1
93	168	Mathews W. Sp.	345	+1	19.37	4.3	2.1
94	169	Mathews W. Sp.	350	+1	19.37	4.3	2.1
95	170	Mathews W. Sp.	355	+1	19.37	4.3	2.1
96	171	Mathews W. Sp.	360	+1	19.37	4.3	2.1
97	172	Mathews W. Sp.	365	+1	19.37	4.3	2.1
98	173	Mathews W. Sp.	370	+1	19.37	4.3	2.1
99	174	Mathews W. Sp.	375	+1	19.37	4.3	2.1
100	175	Mathews W. Sp.	380	+1	19.37	4.3	2.1
101	176	Mathews W. Sp.	385	+1	19.37	4.3	2.1
102	177	Mathews W. Sp.	390	+1	19.37	4.3	2.1
103	178	Mathews W. Sp.	395	+1	19.37	4.3	2.1
104	179	Mathews W. Sp.	400	+1	19.37	4.3	2.1
105	180	Mathews W. Sp.	405	+1	19.37	4.3	2.1
106	181	Mathews W. Sp.	410	+1	19.37	4.3	2.1
107	182	Mathews W. Sp.	415	+1	19.37	4.3	2.1
108	183	Mathews W. Sp.	420	+1	19.37	4.3	2.1
109	184	Mathews W. Sp.	425	+1	19.37	4.3	2.1
110	185	Mathews W. Sp.	430	+1	19.37	4.3	2.1
111	186	Mathews W. Sp.	435	+1	19.37	4.3	2.1
112	187	Mathews W. Sp.	440	+1	19.37	4.3	2.1
113	188	Mathews W. Sp.	445	+1	19.37	4.3	2.1
114	189	Mathews W. Sp.	450	+1	19.37	4.3	2.1
115	190	Mathews W. Sp.	455	+1	19.37	4.3	2.1
116	191	Mathews W. Sp.	460	+1	19.37	4.3	2.1
117	192	Mathews W. Sp.	465	+1	19.37	4.3	2.1
118	193	Mathews W. Sp.	470	+1	19.37	4.3	2.1
119	194	Mathews W. Sp.	475	+1	19.37	4.3	2.1
120	195	Mathews W. Sp.	480	+1	19.37	4.3	2.1
121	196	Mathews W. Sp.	485	+1	19.37	4.3	2.1
122	197	Mathews W. Sp.	490	+1	19.37	4.3	2.1
123	198	Mathews W. Sp.	495	+1	19.37	4.3	2.1
124	199	Mathews W. Sp.	500	+1	19.37	4.3	2.1
125	200	Mathews W. Sp.	505	+1	19.37	4.3	2.1
126	201	Mathews W. Sp.	510	+1	19.37	4.3	2.1
127	202	Mathews W. Sp.	515	+1	19.37	4.3	2.1
128	203	Mathews W. Sp.	520	+1	19.37	4.3	2.1
129	204	Mathews W. Sp.	525	+1	19.37	4.3	2.1
130	205	Mathews W. Sp.	530	+1	19.37	4.3	2.1
131	206	Mathews W. Sp.	535	+1	19.37	4.3	2.1
132	207	Mathews W. Sp.	540	+1	19.37	4.3	2.1
133	208	Mathews W. Sp.	545	+1	19.37	4.3	2.1
134	209	Mathews W. Sp.	550	+1	19.37	4.3	2.1
135	210	Mathews W. Sp.	555	+1	19.37	4.3	2.1
136	211	Mathews W. Sp.	560	+1	19.37	4.3	2.1
137	212	Mathews W. Sp.	565	+1	19.37	4.3	2.1
138	213	Mathews W. Sp.	570	+1	19.37	4.3	2.1
139	214	Mathews W. Sp.	575	+1	19.37	4.3	2.1
140	215	Mathews W. Sp.	580	+1	19.37	4.3	2.1
141	216	Mathews W. Sp.	585	+1	19.37	4.3	2.1
142	217	Mathews W. Sp.	590	+1	19.37	4.3	2.1
143	218	Mathews W. Sp.	595	+1	19.37	4.3	2.1
144	219	Mathews W. Sp.	600	+1	19.37	4.3	2.1
145	220	Mathews W. Sp.	605	+1	19.37	4.3	2.1
146	221	Mathews W. Sp.	610	+1	19.37	4.3	2.1
147	222	Mathews W. Sp.	615	+1	19.37	4.3	2.1
148	223	Mathews W. Sp.	620	+1	19.37	4.3	2.1
149	224	Mathews W. Sp.	625	+1	19.37	4.3	2.1
150	225	Mathews W. Sp.	630	+1	19.37	4.3	2.1
151	226	Mathews W. Sp.	635	+1	19.37	4.3	2.1
152	227	Mathews W. Sp.	640	+1	19.37	4.3	2.1
153	228	Mathews W. Sp.	645	+1	19.37	4.3	2.1
154	229	Mathews W. Sp.	650	+1	19.37	4.3	2.1
155	230	Mathews W. Sp.	655	+1	19.37	4.3	2.1
156	231	Mathews W. Sp.	660	+1	19.37	4.3	2.1
157	232	Mathews W. Sp.	665	+1	19.37	4.3	2.1
158	233	Mathews W. Sp.	670	+1	19.37	4.3	2.1
159	234	Mathews W. Sp.	675	+1	19.37	4.3	2.1
160	235	Mathews W. Sp.	680	+1	19.37	4.3	2.1
161	236	Mathews W. Sp.	685	+1	19.37	4.3	2.1
162	237	Mathews W. Sp.	690	+1	19.37	4.3	2.1
163	238	Mathews W. Sp.	695	+1	19.37	4.3	2.1
164	239	Mathews W. Sp.	700	+1	19.37	4.3	2.1
165	240	Mathews W. Sp.	705	+1	19.37	4.3	2.1
166	241	Mathews W. Sp.	710	+1	19.37	4.3	2.1
167	242	Mathews W. Sp.	715	+1	19.37	4.3	2.1
168	243	Mathews W. Sp.	720	+1	19.37	4.3	2.1
169	244	Mathews W. Sp.	725	+1	19.37	4.3	2.1
170	245	Mathews W. Sp.	730	+1	19.37	4.3	2.1
171	246	Mathews W. Sp.	735	+1	19.37	4.3	2.1
172	247	Mathews W. Sp.	740	+1	19.37	4.3	2.1
173	248	Mathews W. Sp.	745	+1	19.37	4.3	2.1
174	249	Mathews W. Sp.	750	+1	19.37	4.3	2.1
175	250	Mathews W. Sp.	755	+1	19.37	4.3	2.1
176	251	Mathews W. Sp.	760	+1	19.37	4.3	2.1
177	252	Mathews W. Sp.	765	+1	19.37	4.3	2.1
178	253	Mathews W. Sp.	770	+1	19.37	4.3	2.1
179	254	Mathews W. Sp.	775	+1	19.37	4.3	2.1
180	255	Mathews W. Sp.	780	+1	19.37	4.3	2.1
181	256	Mathews W. Sp.	785	+1	19.37	4.3	2.1
182	257	Mathews W. Sp.	790	+1	19.37	4.3	2.1
183	258	Mathews W. Sp.	795	+1	19.37	4.3	2.1
184	259	Mathews W. Sp.	800	+1	19.37	4.3	2.1
185	260	Mathews W. Sp.	805	+1	19.37	4.3	2.1
186	261	Mathews W. Sp.	810	+1	19.37	4.3	2.1
187	262	Mathews W. Sp.	815	+1	19.37	4.3	2.1
188	263	Mathews W. Sp.	820	+1	19.37	4.3	2.1
189	264	Mathews W. Sp.	825	+1	19.37	4.3	2.1
190	265	Mathews W. Sp.	830	+1	19.37	4.3	2.1
191	266	Mathews W. Sp.	835	+1	19.37	4.3	2.1
192	267	Mathews W. Sp.	840	+1	19.37	4.3	2.1
193	268	Mathews W. Sp.	845	+1	19.37	4.3	2.1
194	269	Mathews W. Sp.	850	+1	19.37	4.3	2.1
195	270	Mathews W. Sp.	855	+1	19.37	4.3	2.1
196	271	Mathews W. Sp.	860	+1	19.37	4.3	2.1
197	272	Mathews W. Sp.	865	+1	19.37	4.3	2.1
198	273	Mathews W. Sp.	870	+1	19.37	4.3	2.1
199	274	Mathews W. Sp.	875	+1	19.37	4.3	2.1
200	275	Mathews W. Sp.	880	+1	19.37	4.3	2.1
201	276	Mathews W. Sp.	885	+1	19.37	4.3	2.1
202	277	Mathews W. Sp.	890	+1	19.37	4.3	2.1
203	278	Mathews W. Sp.	895	+1	19.37	4.3	2.1
204	279	Mathews W. Sp.	900	+1	19.37	4.3	2.1
205	280	Mathews W. Sp.	905	+1	19.37	4.3	2.1
206	281	Mathews W. Sp.	910	+1	19.37	4.3	2.1
207	282	Mathews W. Sp.	915	+1	19.37	4.3	2.1
208	283	Mathews W. Sp.	920	+1	19.37	4.3	2.1
209	284	Mathews W. Sp.	925	+1	19.37	4.3	2.1
210	285	Mathews W. Sp.	930	+1	19.37	4.3	2.1
211	286	Mathews W. Sp.	935	+1	19.37	4.3	2.1
212	287	Mathews W. Sp.	940	+1	19.37	4.3	2.1
213	288	Mathews W. Sp.	945	+1	19.37	4.3	2.1
214	289	Mathews W. Sp.	950	+1	19.37	4.3	2.1
215	290	Mathews W. Sp.	955	+1	19.37	4.3	2.1
216	291	Mathews W. Sp.	960	+1	19.37	4.3	2.1
217	292	Mathews W. Sp.	965	+1	19.37	4.3	2.1
218	293	Mathews W. Sp.	970	+1	19.37	4.3	2.1
219	294	Mathews W. Sp.	975	+1	19.37	4.3	2.1
220	295	Mathews W. Sp.	980	+1	19.37	4.3	2.1
221	296	Mathews W. Sp.	985	+1	19.37	4.3	2.1
222	297	Mathews W. Sp.	990	+1	19.37	4.3	2.1
223	298	Mathews W. Sp.	995	+1	19.37	4.3	2.1
224	299	Mathews W. Sp.	1000	+1	19.37	4.3	2.1
225	300	Mathews W. Sp.	1005	+1	19.37	4.3	2.1
226	301	Mathews W. Sp.	1010	+1	19.37	4.3	2.1
227							

**PROPERTY** Continued

PROFIT & LOSS—Continued

Low	High	Price	Dis	Net	Ym
16	25	39	1.02	1.9	3.5
252	272	335	49.1	1.2	2.0
272	282	218	12.95	1.2	2.0
282	292	218	12.95	1.2	2.0
292	302	218	12.95	1.2	2.0
302	312	218	12.95	1.2	2.0
312	322	218	12.95	1.2	2.0
322	332	218	12.95	1.2	2.0
332	342	218	12.95	1.2	2.0
342	352	218	12.95	1.2	2.0
352	362	218	12.95	1.2	2.0
362	372	218	12.95	1.2	2.0
372	382	218	12.95	1.2	2.0
382	392	218	12.95	1.2	2.0
392	402	218	12.95	1.2	2.0
402	412	218	12.95	1.2	2.0
412	422	218	12.95	1.2	2.0
422	432	218	12.95	1.2	2.0
432	442	218	12.95	1.2	2.0
442	452	218	12.95	1.2	2.0
452	462	218	12.95	1.2	2.0
462	472	218	12.95	1.2	2.0
472	482	218	12.95	1.2	2.0
482	492	218	12.95	1.2	2.0
492	502	218	12.95	1.2	2.0
502	512	218	12.95	1.2	2.0
512	522	218	12.95	1.2	2.0
522	532	218	12.95	1.2	2.0
532	542	218	12.95	1.2	2.0
542	552	218	12.95	1.2	2.0
552	562	218	12.95	1.2	2.0
562	572	218	12.95	1.2	2.0
572	582	218	12.95	1.2	2.0
582	592	218	12.95	1.2	2.0
592	602	218	12.95	1.2	2.0
602	612	218	12.95	1.2	2.0
612	622	218	12.95	1.2	2.0
622	632	218	12.95	1.2	2.0
632	642	218	12.95	1.2	2.0
642	652	218	12.95	1.2	2.0
652	662	218	12.95	1.2	2.0
662	672	218	12.95	1.2	2.0
672	682	218	12.95	1.2	2.0
682	692	218	12.95	1.2	2.0
692	702	218	12.95	1.2	2.0
702	712	218	12.95	1.2	2.0
712	722	218	12.95	1.2	2.0
722	732	218	12.95	1.2	2.0
732	742	218	12.95	1.2	2.0
742	752	218	12.95	1.2	2.0
752	762	218	12.95	1.2	2.0
762	772	218	12.95	1.2	2.0
772	782	218	12.95	1.2	2.0
782	792	218	12.95	1.2	2.0
792	802	218	12.95	1.2	2.0
802	812	218	12.95	1.2	2.0
812	822	218	12.95	1.2	2.0
822	832	218	12.95	1.2	2.0
832	842	218	12.95	1.2	2.0
842	852	218	12.95	1.2	2.0
852	862	218	12.95	1.2	2.0
862	872	218	12.95	1.2	2.0
872	882	218	12.95	1.2	2.0
882	892	218	12.95	1.2	2.0
892	902	218	12.95	1.2	2.0
902	912	218	12.95	1.2	2.0
912	922	218	12.95	1.2	2.0
922	932	218	12.95	1.2	2.0
932	942	218	12.95	1.2	2.0
942	952	218	12.95	1.2	2.0
952	962	218	12.95	1.2	2.0
962	972	218	12.95	1.2	2.0
972	982	218	12.95	1.2	2.0
982	992	218	12.95	1.2	2.0
992	1002	218	12.95	1.2	2.0

SHIPBUILDERS, REPAIRERS

Rawlston L. Slop.	72	73	6.96	1.8	5.7
Swan Hunter L. Slop.	155	156	1.48	4.7	2.1
Spencer	330	331	14.68	4.7	2.1
Waver	336	337			

SHIPPING

Brit. & Com. Slop.	308	309	4.80	3.9	4.7
Calcutta Slop.	127	128	1.75	1.7	1.5
Fluherin	178	179	11.55	7.7	1.5
Francis Wilby Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
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London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
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London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London Slop.	105	106	5.17	7.7	1.5
London					

**INV. TRUSTS—Continued**[illegible]

#### FINANCE LAND—Continued

	Stock	Price	↑	↓	Div.	Yr.	194
80	Kashmir 10p	130	—	—	0.120c	—	—
81	Patel Bros. 10p	42	—	—	0.120c	—	—
82	P. H. Co. 10p	42	—	—	0.120c	—	—
83	Kuch & Tاجر 10p	87	—	—	0.120c	—	—
84	Patel Bros. 10p	42	—	—	0.120c	—	—
85	Patel Bros. 10p	42	—	—	0.120c	—	—
86	Patel Bros. 10p	42	—	—	0.120c	—	—
87	Patel Bros. 10p	42	—	—	0.120c	—	—
88	Patel Bros. 10p	42	—	—	0.120c	—	—
89	Patel Bros. 10p	42	—	—	0.120c	—	—
90	Patel Bros. 10p	42	—	—	0.120c	—	—
91	Patel Bros. 10p	42	—	—	0.120c	—	—
92	Patel Bros. 10p	42	—	—	0.120c	—	—
93	Patel Bros. 10p	42	—	—	0.120c	—	—
94	Patel Bros. 10p	42	—	—	0.120c	—	—
95	Patel Bros. 10p	42	—	—	0.120c	—	—
96	Patel Bros. 10p	42	—	—	0.120c	—	—
97	Patel Bros. 10p	42	—	—	0.120c	—	—
98	Patel Bros. 10p	42	—	—	0.120c	—	—
99	Patel Bros. 10p	42	—	—	0.120c	—	—
100	Patel Bros. 10p	42	—	—	0.120c	—	—
101	Patel Bros. 10p	42	—	—	0.120c	—	—
102	Patel Bros. 10p	42	—	—	0.120c	—	—
103	Patel Bros. 10p	42	—	—	0.120c	—	—
104	Patel Bros. 10p	42	—	—	0.120c	—	—
105	Patel Bros. 10p	42	—	—	0.120c	—	—
106	Patel Bros. 10p	42	—	—	0.120c	—	—
107	Patel Bros. 10p	42	—	—	0.120c	—	—
108	Patel Bros. 10p	42	—	—	0.120c	—	—
109	Patel Bros. 10p	42	—	—	0.120c	—	—
110	Patel Bros. 10p	42	—	—	0.120c	—	—
111	Patel Bros. 10p	42	—	—	0.120c	—	—
112	Patel Bros. 10p	42	—	—	0.120c	—	—
113	Patel Bros. 10p	42	—	—	0.120c	—	—
114	Patel Bros. 10p	42	—	—	0.120c	—	—
115	Patel Bros. 10p	42	—	—	0.120c	—	—
116	Patel Bros. 10p	42	—	—	0.120c	—	—
117	Patel Bros. 10p	42	—	—	0.120c	—	—
118	Patel Bros. 10p	42	—	—	0.120c	—	—
119	Patel Bros. 10p	42	—	—	0.120c	—	—
120	Patel Bros. 10p	42	—	—	0.120c	—	—
121	Patel Bros. 10p	42	—	—	0.120c	—	—
122	Patel Bros. 10p	42	—	—	0.120c	—	—
123	Patel Bros. 10p	42	—	—	0.120c	—	—
124	Patel Bros. 10p	42	—	—	0.120c	—	—
125	Patel Bros. 10p	42	—	—	0.120c	—	—
126	Patel Bros. 10p	42	—	—	0.120c	—	—
127	Patel Bros. 10p	42	—	—	0.120c	—	—
128	Patel Bros. 10p	42	—	—	0.120c	—	—
129	Patel Bros. 10p	42	—	—	0.120c	—	—
130	Patel Bros. 10p	42	—	—	0.120c	—	—
131	Patel Bros. 10p	42	—	—	0.120c	—	—
132	Patel Bros. 10p	42	—	—	0.120c	—	—
133	Patel Bros. 10p	42	—	—	0.120c	—	—
134	Patel Bros. 10p	42	—	—	0.120c	—	—
135	Patel Bros. 10p	42	—	—	0.120c	—	—
136	Patel Bros. 10p	42	—	—	0.120c	—	—
137	Patel Bros. 10p	42	—	—	0.120c	—	—
138	Patel Bros. 10p	42	—	—	0.120c	—	—
139	Patel Bros. 10p	42	—	—	0.120c	—	—
140	Patel Bros. 10p	42	—	—	0.120c	—	—
141	Patel Bros. 10p	42	—	—	0.120c	—	—
142	Patel Bros. 10p	42	—	—	0.120c	—	—
143	Patel Bros. 10p	42	—	—	0.120c	—	—
144	Patel Bros. 10p	42	—	—	0.120c	—	—
145	Patel Bros. 10p	42	—	—	0.120c	—	—
146	Patel Bros. 10p	42	—	—	0.120c	—	—
147	Patel Bros. 10p	42	—	—	0.120c	—	—
148	Patel Bros. 10p	42	—	—	0.120c	—	—
149	Patel Bros. 10p	42	—	—	0.120c	—	—
150	Patel Bros. 10p	42	—	—	0.120c	—	—
151	Patel Bros. 10p	42	—	—	0.120c	—	—
152	Patel Bros. 10p	42	—	—	0.120c	—	—
153	Patel Bros. 10p	42	—	—	0.120c	—	—
154	Patel Bros. 10p	42	—	—	0.120c	—	—
155	Patel Bros. 10p	42	—	—	0.120c	—	—
156	Patel Bros. 10p	42	—	—	0.120c	—	—
157	Patel Bros. 10p	42	—	—	0.120c	—	—
158	Patel Bros. 10p	42	—	—	0.120c	—	—
159	Patel Bros. 10p	42	—	—	0.120c	—	—
160	Patel Bros. 10p	42	—	—	0.120c	—	—
161	Patel Bros. 10p	42	—	—	0.120c	—	—
162	Patel Bros. 10p	42	—	—	0.120c	—	—
163	Patel Bros. 10p	42	—	—	0.120c	—	—
164	Patel Bros. 10p	42	—	—	0.120c	—	—
165	Patel Bros. 10p	42	—	—	0.120c	—	—
166	Patel Bros. 10p	42	—	—	0.120c	—	—
167	Patel Bros. 10p	42	—	—	0.120c	—	—
168	Patel Bros. 10p	42	—	—	0.120c	—	—
169	Patel Bros. 10p	42	—	—	0.120c	—	—
170	Patel Bros. 10p	42	—	—	0.120c	—	—
171	Patel Bros. 10p	42	—	—	0.120c	—	—
172	Patel Bros. 10p	42	—	—	0.120c	—	—
173	Patel Bros. 10p	42	—	—	0.120c	—	—
174	Patel Bros. 10p	42	—	—	0.120c	—	—
175	Patel Bros. 10p	42	—	—	0.120c	—	—
176	Patel Bros. 10p	42	—	—	0.120c	—	—
177	Patel Bros. 10p	42	—	—	0.120c	—	—
178	Patel Bros. 10p	42	—	—	0.120c	—	—
179	Patel Bros. 10p	42	—	—	0.120c	—	—
180	Patel Bros. 10p	42	—	—	0.120c	—	—
181	Patel Bros. 10p	42	—	—	0.120c	—	—
182	Patel Bros. 10p	42	—	—	0.120c	—	—
183	Patel Bros. 10p	42	—	—	0.120c	—	—
184	Patel Bros. 10p	42	—	—	0.120c	—	—
185	Patel Bros. 10p	42	—	—	0.120c	—	—
186	Patel Bros. 10p	42	—	—	0.120c	—	—
187	Patel Bros. 10p	42	—	—	0.120c	—	—
188	Patel Bros. 10p	42	—	—	0.120c	—	—
189	Patel Bros. 10p	42	—	—	0.120c	—	—
190	Patel Bros. 10p	42	—	—	0.120c	—	—
191	Patel Bros. 10p	42	—	—	0.120c	—	—
192	Patel Bros. 10p	42	—	—	0.120c	—	—
193	Patel Bros. 10p	42	—	—	0.120c	—	—
194	Patel Bros. 10p	42	—	—	0.120c	—	—
195	Patel Bros. 10p	42	—	—	0.120c	—	—
196	Patel Bros. 10p	42	—	—	0.120c	—	—
197	Patel Bros. 10p	42	—	—	0.120c	—	—
198	Patel Bros. 10p	42	—	—	0.120c	—	—
199	Patel Bros. 10p	42	—	—	0.120c	—	—
200	Patel Bros. 10p	42	—	—	0.120c	—	—

OILS							
	Stock	Price	↑	↓	Div.	Yr.	194
95	Alkora Refining Co.	95	—	—	—	—	—
96	Amul 20p	158	—	—	6.88	1.5	6.5
97	Brit. Buroro 10p	220	—	—	7.03	3.1	6.4
98	Brit. Petro 10p	912	+34	—	5.66	0.2	11.8
99	Calcutta 10p	212	—	—	—	—	—
100	Chand 10p	263	—	—	Q6 3/4	—	0.12
101	Burmah 10p	37	—	—	—	—	—
102	Ch. Ind. 91.98c	263	—	—	—	—	—
103	Ch. Ind. 91.98c	263	—	—	—	—	—
104	Ch. Ind. 91.98c	263	—	—	—	—	—
105	Ch. Ind. 91.98c	263	—	—	—	—	—
106	Ch. Ind. 91.98c	263	—	—	—	—	—
107	Ch. Ind. 91.98c	263	—	—	—	—	—
108	Ch. Ind. 91.98c	263	—	—	—	—	—
109	Ch. Ind. 91.98c	263	—	—	—	—	—
110	Ch. Ind. 91.98c	263	—	—	—	—	—
111	Ch. Ind. 91.98c	263	—	—	—	—	—
112	Ch. Ind. 91.98c	263	—	—	—	—	—
113	Ch. Ind. 91.98c	263	—	—	—	—	—
114	Ch. Ind. 91.98c	263	—	—	—	—	—
115	Ch. Ind. 91.98c	263	—	—	—	—	—
116	Ch. Ind. 91.98c	263	—	—	—	—	—
117	Ch. Ind. 91.98c	263	—	—	—	—	—
118	Ch. Ind. 91.98c	263	—	—	—	—	—
119	Ch. Ind. 91.98c	263	—	—	—	—	—
120	Ch. Ind. 91.98c	263	—	—	—	—	—
121	Ch. Ind. 91.98c	263	—	—	—	—	—
122	Ch. Ind. 91.98c	263	—	—	—	—	—
123	Ch. Ind. 91.98c	263	—	—	—	—	—
124	Ch. Ind. 91.98c	263	—	—	—	—	—
125	Ch. Ind. 91.98c	263	—	—	—	—	—
126	Ch. Ind. 91.98c	263	—	—	—	—	—
127	Ch. Ind. 91.98c	263	—	—	—	—	—
128	Ch. Ind. 91.98c	263	—	—	—	—	—
129	Ch. Ind. 91.98c	263	—	—	—	—	—
130	Ch. Ind. 91.98c	263	—	—	—	—	—
131	Ch. Ind. 91.98c	263	—	—	—	—	—
132	Ch. Ind. 91.98c	263	—	—	—	—	—
133	Ch. Ind. 91.98c	263	—	—	—	—	—
134	Ch. Ind. 91.98c	263	—	—	—	—	—
135	Ch. Ind. 91.98c	263	—	—	—	—	—
136	Ch. Ind. 91.98c	263	—	—	—	—	—
137	Ch. Ind. 91.98c	263	—	—	—	—	—
138	Ch. Ind. 91.98c	263	—	—	—	—	—
139	Ch. Ind. 91.98c	263	—	—	—	—	—
140	Ch. Ind. 91.98c	263	—	—	—	—	—
141	Ch. Ind. 91.98c	263	—	—	—	—	—
142	Ch. Ind. 91.98c	263	—	—	—	—	—
143	Ch. Ind. 91.98c	263	—	—	—	—	—
144	Ch. Ind. 91.98c	263	—	—	—	—	—
145	Ch. Ind. 91.98c	263	—	—	—	—	—
146	Ch. Ind. 91.98c	263	—	—	—	—	—
147	Ch. Ind. 91.98c	263	—	—	—	—	—
148	Ch. Ind. 91.98c	263	—	—	—	—	—
149	Ch. Ind. 91.98c	263	—	—	—	—	—
150	Ch. Ind. 91.98c	263	—	—	—	—	—
151	Ch. Ind. 91.98c	263	—	—	—	—	—
152	Ch. Ind. 91.98c	263	—	—	—	—	—
153	Ch. Ind. 91.98c	263	—	—	—	—	—
154	Ch. Ind. 91.98c	263	—	—	—	—	—
155	Ch. Ind. 91.98c	263	—	—	—	—	—
156	Ch. Ind. 91.98c	263	—	—	—	—	—
157	Ch. Ind. 91.98c	263	—	—	—	—	—
158	Ch. Ind.						

شركة الاموال



**NEW JAPAN SECURITIES**  
Tokyo, Japan

■ New Japan Securities Europe Limited  
1, Moorgate, London EC6R 6JH Tel. 606-6781/8  
■ Frankfurt Office: Tel. 440000

**MINES—Continued**

1976		Stock	Price	+ or -	Div. %	Cm	Yld %
High	Low						
210	155	Falcon Rk. 50c	160	.....	Q60c	φ	22.7
24	15	Rhoad n Corp 15c	16	.....	0.57	7.1	5.3
80	52	Roman Cons. R4	65	.....	.....	.....	.....
41	32	Wankie Col. Rb. 1	33	.....	Q9c	φ	17.6
171	10	Zam Corp. SBLD 21	14	.....	.....	φ	.....

**AUSTRALIAN**  
Acme 25c 12 1000 —

140	64	Broomfield 50 Toes	130	4	q8c	1.4	3.9
141	65	BB South 50c	117	-1	-	-	-
820	150	Central Pacific	475	-5	-	-	-
336	148	Cumline Proctis 50c	300	-	q10c	2.2	†
27	91	Endeavour 50c	251	-	-	-	-
72	45	G. M. Kalgourdie S.L.	62	+4	-	-	-
68	18	Haoma 18 50c	55	+1	-	-	-
146	81	Hampton Greens 5p	127	-	13.55	2.0	4.2
64	10	Metals Ex. 50c	36	-	-	-	-
223	126	M.L.N. Hides. 50c	190	+5	q9c	1.7	2.9
22	75	2/25	37	-	-	-	-

North B Hill 50c	119	+1	Q8
Nth Kaiguri	142	.....	—
Nth West Mining	38		

178	117	Oakbridge SA1	147	.....	1911c	1.9	4.7
70	30	Pacific Copper	360	.....	.....	.....	.....
£15.4	750	Pancon't 25c	£10	.....	.....	.....	.....
42	12	Paringa M&Ex 5p	31½	+½	.....	.....	.....
578	310	Peko-Wallend 5c	484	+4	Q15c	φ	1.9
900	50	Southern Pacific	18	.....	.....	.....	.....
164	94	W&A Mining 5c	345	+4	Q3c	φ	±
70	35	Whim Creek 5c	50	.....	.....	.....	.....

Ayer Hitam SM1	320	.....	Q30
Berahi Tin	47	.....	14.0
Berjantai SM1	240	-5	Q110

155	11	Geovor	150	+5	5.04	5.8	5.0
120	84	Gold & Base 120p	150				
340	226	Gopeng Cons.	325		15.23	0.9	7.1
230	130	Gopeng Cons.	325				
83	78	Indris 10p	90		312.0	1.6	—
11	7	Jantar 15p	8				
64	68	Kamunting 340.50	75		0.12p	2.1	3.6
460	450	Killinghall	635		0.11p	0.7	18.7
670	280	Malay Dredging SMI	435		10.95p	0.8	4.7
78	40	MPahang	64		20.75p	0.5	1.3
78	50	Pengkalan 20p	74		5.60	1.3	13.3

South Croft 10p....	62	+2	4.19
South Kinta SMO 50	220	+5	5.14
Sibu Malayan FM1	310		4.17

240	124	Sungun Pees SMI	200	5	Q65c	0	7.0
85	55	Supreme Corp SMI	90		2010c	1	3.1
100	85	Tanaka Hsp	90		6 60	0.8	10.9
109	74	Tanaka's Hbr. SMI	90		20 82 1/2	1.6	1.6
270	143	Trench SMI	225	ad	Q68c	1.6	4

**COPPER**

104	70	Messina R3.50	70		Q30c	1.9	4
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Baryann _____	55	-1	-
Burma Mines 17-p.	13	.....	-

390	215	Cons. Murch. 10c	240	-5	Q30c	2.6	3
465	245	Norrigate CSI	240	-5			
259	164	R.T.2	252	+4	9.5	2.8	5.7
90	30	Sabina Inds. CSI	54	-1			
C12	75	Terra Expln. 51	812	-13			
75	43	Felsite Minerals 10p	75	+5	41.35	6	2.7
185	120	Yukon Cons. CSI	144	-4	Q7c	2.9	2.3

otherwise indicated, prices and net dividends

prices and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts data, where possible, are updated on half-yearly figures. RDS are based on the distribution of the estimated shares outstanding (minimum 10 p per cent, or more difference if calculated as "nil" distribution). Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 p per cent and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

**A** Sterling denominated securities which include investment

Low's market thus have been adjusted  
issues for cash.

12 Internal stock repurchase, tender offer,  
 13 interim since reduced, passed or deferred.  
 14 Tax-free to non-resident on application.  
 15 Figures or report awaited.  
 16 Unlisted security.  
 17 Price at time of suspension.  
 18 Indicated dividend after pending scrip and/or rights issue.  
 19 Merger relates to previous dividends or forecast.  
 20 Merger bid or reorganisation in progress.  
 21 Not comparable.  
 22 Same interim: reduced final and/or reduced earnings indicated.  
 23 Dividends on or on earnings updated by Interim.

or ranking only for restricted dividends and does not allow for shares which may also

dividend at a future date. No P/E ratio usually provided.  
 Excluding a final dividend declaration.  
 Regional price.  
 No par value.  
 Tax free. \* Figures based on prospectus or other official estimate. c. Cents. d. Dividend rate paid or payable on part of capital, cover based on dividend on full capital.  
 e. Redemption yield. f. Flat yield. g. Assumed dividend and yield. h. Assumed dividend and yield. i. Dividend per share issue. j. Dividend per share capital source. k. Rights or interim dividend on previous total. l. Rights issue pending. m. Earnings. n. based on preliminary figures. o. Dividend and yield evidence a

Forecast dividend cover based on pre-tax free up to 30p in the £ w Yield 5.0%. Dividend and yield based on market price.

Dividend and yield include a special dividend. Cover does not apply to special payment. A net dividend and yield is preference dividend passed or deferred. C Canadian. E Issue Preference F Dividend and yield based on prospectus or other official estimates for 1976-80. G Assumed dividend and yield based on prospectus and other official estimates for 1976-80. H Dividend and yield based on prospectus or other official estimates for 1976-80. I Figures based on prospectus or other official estimates for 1978. J Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. O Dividend and yield based on prospectus or other official estimates for 1979. P Dividend and yield based on prospectus or other official estimates for 1979. Q Dividend and yield based on prospectus or other official estimates for 1979. R Dividend and yield based on prospectus or other official estimates for 1979. S Dividend and yield based on prospectus or other official estimates for 1979. T Dividend and yield based on prospectus or other official estimates for 1979. U Dividend and yield based on prospectus or other official estimates for 1979. V Dividend and yield based on prospectus or other official estimates for 1979. W Dividend and yield based on prospectus or other official estimates for 1979. X Dividend and yield based on prospectus or other official estimates for 1979. Y Dividend and yield based on prospectus or other official estimates for 1979. Z Dividend and yield based on prospectus or other official estimates for 1979.

total maturity of stock.

**"Recent Issues" and "Rights" Page 40**

## SIGNAL MARKET

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Int 20p	25	Sheff. Reinsman.	63	----
Irish Spinning	49	Sindall (Wm.)	105	----
Bernart	18			
dg. Wtr Est 30p	227			
Lower Croft	26			

**IRISH**

67	.....	Alliance Gas.....	7
26 1/2	.....	Arnold .....	38
52	.....	Carroll (P. J.).....	10

Play Ship Sp	21		Clondalkin	80	
raig Ship 21	120	+5	Concrete Prods.	130	-5
ligious Brew.	91		Helton (Hlgs.)	50	
O.M. Sun 31	180		Jas. Corp.	180	
olt Dec 1859	258		Irish Pipes	110	-5
lth. Goldsmith	68		Jacob	60	
ance C. H. B.	180		Subban	31	
eel Mills	21	+1	T. M. G.	180	-1
nefield Brick	54		Unidara	85	

## OPTIONS

Industrials					
Brew	6 1/2	I.C.I.	20	Tube Invest.	30
P. Cement	18	"Imps"	6	Underw	35
S.R.	9	"V.C.L."	28	Und Drapery	7 1/2
Shoebock	11	Investment	3	Vickers	15
Stearns Bank	25	ECA	3	Woolworths	5
		Labadie & C.	17		
				Promotes	

16	Llo: ds Bark ..	22	Cap. Court
36	"Lois" ..	4	E.P. ....
6	London Brick	5	Insurance

rown J.	10	Lonrho	5	Long Sprogs	16
urion A.	12	Lucas Inds.	25	Long Secs.	12
ndbury	5	Lyons (J.)	7	M.E.P.	8
ndlands	5	"Moms"	10	Peachey	8
ndshams	8	Micks & Spner	7	Satmeal Props.	9
ndlers	8	Midland Bank	12	Town & City	14
ndn	7	N.E.I.	10		
ngle Star	11	Nat. West. Bank	22		
N.I.	14	De. Warrants	10	Oil	
nd Accident	17	P & O Dfd.	8	Brit. Petroleum	45
nd Electric	18	Plessier	8	Burmah (n)	5
				Charter	5

20	Reed Intl	12	Mines
18	Spillers	3	
22	Tosco	4	

Lawyer Sidd.	20	Thorn	22	Harner Cons.	12
House of Fraser.	12	Trust Houses.	15	Cons. Gold	14
				Rio T. Zinc	16

A selection of Options traded is given on the London Stock Exchange Report page



